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JOURNAL OF THE MONEY MARKET,

AND

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THE SUPPLEMENTS at the end of the Volume contain :

1. **THE DEBATE** on the appointment of the Committee on the Bank Act, and Commercial Distress.
2. **THE EVIDENCE** taken before that Committee: viz. Messrs. Hodgson, Turner, Salt, Muntz, Gurney, Palmer, Bevan, Bates, Morris, Prescott, Cotton, Pease, S. J. Loyd, Tooke, Taylor, and Birkbeck.

THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

JANUARY, 1848.

A REVIEW OF THE CURRENCY DEBATE.

THE recent debate in the House of Commons, on the motion of the Chancellor of the Exchequer for a committee to enquire into the causes of the commercial distress and the operation of the Bank Charter Act, presents us with few facts or arguments which were not known previously. It has, however, some value for its suggestive character. We do not think any one of our readers will peruse the speeches which were delivered without having some argument suggested to him, which he had not previously considered. The speeches partook so much of the narrative as well as of the argumentative form, that every section of currency-speculators could find something in the facts related to confirm their particular opinions on monetary affairs. The narrative of the events of the crisis by the Chancellor of the Exchequer, and of the proceedings of the government during the anxious period which preceded the issuing of the letter to the directors of the Bank of England in October last, authorising them to break through the restrictions imposed by the act, if necessary, will always be valuable. The descriptions of many of the other speakers, referring to the condition of the country and the state of trade, were also valuable. But our purpose, in calling attention to the debate, is not to review the facts, but rather to point out what we consider were unsound arguments and specious fallacies in some of the speeches, which ought not to be suffered to pass unnoticed.

The first fallacy is, that the crisis was produced by the conduct of our merchants and manufacturers. The Chancellor of the Exchequer, in an indirect and unfair manner, attempted to

fix upon the commercial public the cause of the panic. He said he had received a letter from Sir John Gladstone, in which the latter gave it as his opinion that few of those houses which had failed possessed adequate means to carry on their extensive business; and the Chancellor, echoing Sir John, said, "go over the list of failures and tell me which of those that have taken place, ought not to have taken place." Now, going over the list, we can point out many that ought not to have taken place, and would not have taken place but for the Bank Act. There are no grounds for the charge insinuated. Taking the list as presented by the balance-sheet of the several banks, as published in the *Morning Chronicle*, the following is the result:—

Stopped. 1847.	Name and Business.	Liabilities.	Assets.
Aug.	6..Charles Douglas and Son, corn trade	—	—
	9..E. Robinson (deceased), Mauritius trade.....	—	—
	10..Leslie, Alexander, and Co. corn trade	£573,602	£231,869
	11..Coventry and Sheppard, ditto	—	—
	11..King, Melvil, and Co., ditto	—	—
	13..Giles, Son, and Co., ditto	152,824	90,911
	21..W. R. Robinson, and Co., merchants	94,362	100,390
	23..Castellain, Sons, and Co., merchants.....	69,651	33,603
	27..W. and J. Woodley, corn trade	99,509	90,846
Sept.	4..T. Booker, Sons, and Co., ditto	—	—
	10..Thomas Osborne and Son, ditto	69,457	33,527
	10..Hastie and Hutchinson, ditto.....	50,451	38,796
	11..Gower, Nephews, and Co., Mauritius trade....	460,832	112,831
	11..Allison, Cumberledge, and Co., South American trade.....	—	—
	14..Sanderson and Co., discount brokers.....	1,725,000	—
	17..Reid, Irving, and Co., Mauritius trade.....	660,432	846,766
	25..Cockerell, Larpent, and Co., East India trade..	619,393	809,254
	27..Cockburn and Co. army agents	—	—
	27..M. L. Bensusan and Co. Mogador and Barbary merchants	52,016	6,961
	28..Perkins, Schlusser, and Mullens, Baltic and East India trade.....	127,327	136,048
	29..Fry, Griffiths, & Co., India & colonial brokers	90,979	19,231
	30..Lyll, Brothers, and Co., East India trade	340,387	151,556
	30..Samuel Phillips and Co., ditto	101,474	100,076
	30..William Tulloch Fraser, ditto.....	33,665	40,297
Oct.	4..Rougement Brothers, merchants	—	—
	4..John Thomas, Son, and Lefevre, ditto.....	401,760	441,972
	7..F. J. Van Zeller, ditto	—	—
	9..Richards, Little, and Co., East India trade....	144,676	50,430
	10..E. Bernoulli, merchant	—	—
	10..Manoel J. Soares, ditto	—	—
	11..Jas. & Wm. Morley, Manchester warehousemen	119,731	89,217
	12..William Nash, ditto	—	—
	13..Barclay Brothers, and Co., Mauritius trade....	389,504	398,491
	15..Laurence, Phillips, and Sons, East India trade	18,368	64,840
	17..F. Barnes, and Co., ironmongers	—	—
	23..Scott, Bell, and Co., East India trade	—	—
	27..J. P. Howard, and Co., colonial brokers	—	—
Nov.	1..Coates and Hilliard, American merchants	72,057	35,462
	2..L. S. Curtis, hide trade.....	—	—
	6..Judah, Cohen, and Sons, West India merchants	—	—
	8..Thurburn and Co., East India trade.....	109,139	139,604
	8..Johnson, Cole, and Co., ditto	112,666	71,844

Stopped. 1847.	Name and Business.	Liabilities.	Assets.
	10..Ryder, Wienholt, and Co., merchants	34,587	23,670
	12..Abbott, Nottingham & Co., shawl warehousemen	—	—
	15..Trueman & Cook, colonial brokers	—	—
	16 Robert Farrand, corn factor.....	—	—
	22..J. and H. Reay, wine merchants	47,791	13,510
	22..A. A. Lackersteen, East India trade.....	178,115	80,742
	22..Lackersteen, Crake, and Co., ditto	37,555	25,251
	25..Tanner and Ward, leather factors	22,000	8,000
	28..Sargant, Gordon, and Co., produce brokers....	—	—
	28..Leaf, Barnett, Scotson, & Co., warehousemen..	85,575	89,079
Dec.	2..W. Pemberton and Co., Canada merchants	—	—
	2..Charles Trueman and Co., merchants	—	—
	9..Gates, Coates, Bartlett, & Co., calico printers..	13,000	2,000
	11..Lysaght, Smithett, and Co., East India trade..	—	—

On perusing the above list it will be observed that out of fifty-six large failures there are scarcely half-a-dozen that can be considered bad ones ; while there are a dozen firms who will pay *twenty shillings* in the pound, and have a surplus after the sacrifice of their property at panic price ! These firms at least ought *not* to have been compelled to suspend payments ; and the same may be said of those who will pay from fifteen to eighteen shillings in the pound, and who would have been able to pay all their creditors in full and have a balance left, if not obliged to throw their stock upon the market to sell for whatever it would fetch. It is surely a monstrous perversion of truth to allege that it is for the benefit of commerce that houses should be pulled down after this fashion, and an absurdity to claim merit for the Act of Parliament by which this has been effected.

That the Bank Charter Act did assist in producing many of the failures the advocates of that measure do not deny ; indeed they take credit for it as a benefit conferred by the Act, and say, with Sir John Gladstone, " which of the houses that stopped ought not to have stopped ? " We need not, with the above list before us, specify the names ; but if the reader is a man of business, and will glance his eye down the list, he will readily be able to discover how many of the firms ought *not* to have been compelled to stop, and he will appreciate the calamity occasioned by their doing so. But if the reader is not a man of business, but only a theoretical speculator on currency affairs, we would ask him to learn, if he can, some of the circumstances connected with the suspensions of Messrs. W. R. Robinson & Co. ; Cockerell & Co. ; Thomas, Son, & Lefevre ; Perkins, Schlusser, & Co. ; Hastie & Hutchinson ; Barclay Brothers & Co. ; Samuel Phillips & Co. ; W. T. Fraser ; Lawrence, Phillips, & Co. ; and Trueman & Cook, and then say whether the stoppage of these houses, with the loss of confidence in English credit, generated by the circumstance, and the extinction of trade which follows, are

not calamities that a wise legislation would endeavour to prevent rather than encourage and produce. Those who do not know the effect really occasioned in any of the great branches of trade by the stoppage of an important firm may suppose that if it ultimately pays in full, and endeavours to resume business, the evil is at an end. But the want of confidence in commercial honor which invariably follows such disasters produces injurious consequences, that remain in operation for a long period after the failures themselves have taken place.

Some advocates of the Bank Charter Act may not claim for it the unenviable distinction of assisting to produce these failures, and may deny that it had any influence in the matter. This was another fallacy that appeared during the debate. Sir Charles Wood and some other speakers maintained, that the panic would have come whether the restrictions of the Bank Charter Act had been in force or not; and Lord John Russell seemed to be particularly anxious to impress this as a fact upon the house. But with all deference to the good sense and moderation displayed in his speech, which we think was the best of the whole debate, we maintain that there is no reason whatever to believe that a *panic* or a *crisis* would have occurred but for the Bank Act. The failure of the potato crop, and the enormous railway expenditure, would have created an increased demand for money and a higher rate of interest. This was distinctly stated and proved in our pages many times during the last two years, by writers and practical men, who could readily judge of the effects which would follow from the causes we have named. But there would have been no panic had the Bank been allowed to discount good commercial bills, representing *bond fide* transactions, and to make advances on government stock and other valuable security. The inability of the bank to do this caused the panic, which brought down the majority of the houses in the foregoing list. And for this reason we charge the Bank Act with having aggravated, and, to a great extent, occasioned the commercial disaster of the last autumn.

But it is said that if the Bank had been allowed to continue discounting, all the gold would have left her coffers, and the convertibility of the bank note would have been endangered. This is another of the fallacies of the debate; and it assumes the fact which it wishes to prove. Had the country bankers and the Bank of England been permitted to increase their issues on good security, the exchanges would have come round just as easily as they have now; but they would have done so by a regular action, and not by a convulsive one. The Bank would have been quite safe with even five millions of bullion, if the public knew, as they would have known, that when necessary the directors could obtain

gold, as they have now obtained it; by an enormous pressure on the money market; the refusal to discount, and the sale of securities. This pressure might have been reserved until it was actually required, in order "to secure the convertibility of the bank-note." We had no occasion for it as an experiment to see what it could effect, while the bullion in the Bank was nine millions sterling.

Mr. Robinson very ably exposed another of the fallacies—that there had been over-speculation in commercial transactions. We heard nothing of this charge against our merchants until they began to fail. The railway speculation was the only one that continually excited apprehension. It was predicted that the speculators *must* fail; that a fall in prices would bring ruin and devastation in its train. And yet what is the result? How many railway potentates have appeared in the *Gazette*? How many of our merchants are there charged with having come to beggary through railway scrip? No doubt the loss sustained by the railway interest is most severe; but the fact that the predictions against it are now turned towards our merchants and manufacturers, shows that the real incidence of a monetary pressure is not understood. It often brings down those who ought to stand, and it certainly often leaves untouched those who were thought most likely to go to the wall first.

We need not enter further with this subject. As we have already stated, the debate will well repay a perusal for its suggestive tendency; and we have no doubt that our readers will detect many other fallacies besides those we have noticed, when they read the speeches that were delivered.

THE CLEARING HOUSE MONOPOLY.

THE following letter and commentary appears in the *Times*. We need not say that we fully agree with the conclusion of the writer, that the Clearing House Monopoly ought to be abolished. We have urged its removal on grounds of expediency and equity, and it *must* ultimately be abolished. Why not therefore do that gracefully which must otherwise be done by compulsion? The Legislature will not suffer the public inconvenience it occasions to endure much longer, however secure the clearing bankers may think themselves in the enjoyment of their "private rights." The Joint Stock Banks now would make an equitable arrangement if permitted to clear; but when Govern-

ment interferes it may be difficult to induce them to pay for what they will probably obtain without expense. The observations of the *Times* are as follows:—

“ Our attention has been called by a letter, which we subjoin, to an instructive fact, which it may be desirable to recall at any time of future pressure, when the London bankers may deem another deputation necessary to acquaint the Chancellor of the Exchequer that unless an issue of additional notes be granted it will be impossible to avert general ruin. It was understood, that upon the recent occasion, an issue of £2,000,000 was what they contemplated as necessary to save the country. Yet at that moment, incredible as it may seem, they themselves possessed the power of furnishing the community with an addition of nearly one-third of that amount, not merely without the violation of any principle whatever, but, on the contrary, by acting on the principle that should ride over all others, of conceding advantages to their fellow-traders which they themselves possess, and which there is no reason should not be enjoyed by all. It is calculated, that by the exclusion of the London joint-stock banks from the clearing-house, to which all their brother bankers are admitted, £600,000 or £700,000 of bank notes are daily employed which might otherwise be entirely dispensed with, and this sacrifice, it must be borne in mind, is carried on to produce no other result than that of preventing the banks in question from competing with private establishments on equal terms. The latter are not content to rely on the superior advantages they are enabled to offer to the public—and these, in many cases, are unquestionable—but they must take all the aid they can derive from resisting the general application of a simple and scientific arrangement, in harmony with the economizing spirit of the age, even though they thus entail immense inconvenience on themselves and also on the public. All parties are damaged, but it is enough that the joint-stock banks should be damaged most. It is true that the private bankers are quite entitled to pursue this course, if they really deem it for their permanent interest, but it must wholly incapacitate them from making any application for increased issues on the plea of the general good. The following letter details merely an incidental grievance connected with the system:—

“ SIR,—On the 4th ult., two cheques on Messrs. Masterman & Co., for £1,677 2s. 8d. and £1,131 15s. 1d., were paid into the accounts of two customers of the London and Westminster Bank, and presented in due course between 4 and 5 o'clock. These cheques, however, had been crossed with the words, “and company,” and they were, therefore, returned to the London and Westminster Bank, with a notice that they were intended to pass through the

clearing. They were accordingly again presented after 5 o'clock for the purpose of being paid, or marked for payment for the following morning. An answer was then given to the following effect:—"These cheques having been intended to pass through the clearing, cannot be paid to the London and Westminster Bank; and as they are now stamped by the London and Westminster Bank, they would not be paid to a private bank through the clearing."

"The above statement furnishes an example of the kind of inconvenience inflicted on the public through the refusal of the London bankers to admit joint-stock banks to the common privileges of the clearing-house. In this case, the two customers of the London and Westminster Bank were each compelled, on the following day, to apply to the parties from whom they received the cheques in question, and request them to furnish new ones; and if, meanwhile, either of them had left town, or had stopped payment, a delay or loss might have occurred which, in times like the present, might lead to the most serious consequences. Surely a system of exclusion, which does not even profess to have its origin in any other consideration than that of unmixed selfishness, and which is daily productive not merely of isolated cases, such as the above, but of general injury, should now be re-considered with a view to its abandonment."

"A similar circumstance has occurred in the course of the present month, when the same answers were given."

EXTENSION OF THE POST-OFFICE MONEY ORDER SYSTEM.

It is announced in the papers, apparently on good authority, that the "Money Order" department of the General Post-Office is to be placed under the direction of Mr. Rowland Hill, with a view to its further extension, and the improvement in its mode of operation. The particulars of the intended alterations are not stated, but we have heard that it is in contemplation to increase the limit of the amount which can now be transmitted by a post-office order, and that it is expected the revenue to be derived from the extension of business of this department will increase very much the present Post-Office receipts.

That a reform of the system is very much required can admit of no doubt. The continued complaints of delay and irregularity in consequence of the imperfections of the arrangements in this department of the Post-Office, sufficiently proves this, although it is in a great measure excusable, in consequence of the extraordinary increase of business which has taken place since post-office orders were first granted. We believe also that the appointment of Mr. Rowland Hill to the head of this department will be satisfactory to the public, who are anxious to see a gentleman who has done so much to facilitate the transmission of the correspondence of the United Kingdom suitably rewarded by some important situation connected with the Post-Office.

In making the announcement we have referred to, the *Times*

says—"It is understood that the unrestricted control of the Money Order department of the Post-Office throughout the Kingdom has been placed in the hands of Mr. Rowland Hill, by the Postmaster-General, with a view to its improvement and extension. No step could have been adopted in connexion with this branch of the government service more calculated to afford satisfaction to the public, while at the same time it furnishes a good precedent—and in England a most rare one—in allowing freedom of action to a reformer, master of his subject, instead of permitting his plans to be marred by official pedants, and then complaining of delays or imperfections." Without imputing blame to the present management of the Post Office, we have no doubt the alteration will be an improvement, and that the public will have reason to be satisfied with the change of officers.

There is an important point in this notice, however, which deserves the serious consideration of bankers. We refer to the extension of the amount to be drawn for by the post-office orders. When they were first introduced, it was expressly stated that the plan was not intended in any way to interfere with banking operations, but was simply introduced for the purpose of accommodating the public with a means for making remittances of smaller sums than bankers could conveniently undertake to transmit. The amount of the orders was accordingly limited to £5; and parties requiring to remit larger sums were obliged to resort to a banker, or divide the amount amongst several orders instead of having it included in one. If, however, the limit is increased, we think bankers will have reason to complain that the government is interfering with their business. To this it may be answered, that the banking interest have shown no anxiety upon the subject, and that it may therefore be reasonably supposed that they will not be injured by any plan enabling the public to remit an amount by one order, which they can now do by several. We feel obliged to admit, that bankers have not expressed any decided opinion on the subject; but it can hardly be expected that they will allow so serious an encroachment on their business as that which is threatened, without adopting some means to prevent it. Having called attention to the matter, we have, perhaps, done all that is necessary at present.

Recent Bank Failures and Suspensions.

NORTH AND SOUTH WALES BANK.

We are happy to report that in all probability this bank will shortly resume business, on the same footing as before its stoppage.

At a second meeting of the proprietors, held at Liverpool, it appeared from the report, read by the manager, that the bank would be in a position to commence the payment of its notes in circulation on Monday, the 3rd of January next, at the head-office, at all the branches, and also in London. The announcement was received with cheers. The circulation being reduced to a safe minimum, the payment of all deposits under £20 would follow as the next and final step towards the complete resumption of the operations of the bank.

The report dwelt upon the absolute necessity, however, that existed for a large proportion of the reference shares being subscribed for: not merely to aid in the resumption of the bank, but to provide it with the working capital requisite to enable it to conduct its renewed operations with ease, safety, and profit. To facilitate the taking of these shares the directors announced that they had determined to make them payable in four instalments of £2 10s. each, instead of two instalments of £5 each, as originally proposed. The report, which was received throughout with decided marks of approval, concluded by stating that the liabilities of the bank which, at the date of the stoppage, were £610,000, were now only £402,000. Resolutions, confirming the report in all particulars, as also the proceedings of the previous meeting, were passed unanimously; and thanks having been voted to the chairman, the meeting separated.

The conduct of Mr. Rae, the general manager, and of the other officers of the bank, and their exertions since the suspension, have met with the approbation of all parties connected with the bank.

ROYAL BANK OF LIVERPOOL.

A meeting of the proprietors was held on the 30th November last, preparatory to the re-opening of the establishment, on which occasion the new deed of settlement was submitted for consideration, and approved. The £1,000 shares are to be converted into five shares of £200 each, in order to enlarge the constituency, and £400,000 new capital is to be raised by the issue of 4,000 preference shares of £100 each, to be paid up on the 10th of January next, and the liability on which is to commence on the 1st of January. These shares are to bear 7 per cent. interest,

and so soon as dividends equal to 7 per cent. from the date of the re-opening of the bank shall have been paid also to the original shareholders, then the preference shareholders are to divide surplus profits beyond that sum. Meanwhile only 5 per cent. is to be paid to original shareholders until a reserved fund shall have been created, to the amount of £100,000. It is also provided that the paid-up capital only, and not the deposits or other funds, shall be employed in advances on open account; that no advance be made beyond £20,000 without security, and that the highest advance on any security whatever be £50,000; that shares of the bank be not taken as security, that directors have no voice on advances to parties connected with them, either by relationship or business, and that paid directors and manager have no advances whatever. Two paid directors are to be appointed, with £1,000 per annum each; and Mr. Chaffers, who has consented to a reduction of salary, is to continue manager. The paid directors and manager are to constitute a permanent committee, two being a quorum, to determine upon advances or the opening of accounts; and no advances are to be made against the veto of any one of them. It was further arranged that proprietors subscribing to the new preference shares shall be freed from liability to pay the call recently announced; and that as regards those who may decline to take their rateable proportion of such new shares, a sale of the shares may be effected in the market, the proprietor being relieved thereby from the payment of the call, upon his making up any loss which may be occasioned, he, on the other hand, taking the profit if they should be disposed of at a premium. An election of directors then took place; and the parties chosen were Messrs. Highfield, Booker, Tyrer, Shand, Stock, Bibby, Samuel Holme, and Imrie. It was stated during the meeting, that "satisfactory arrangements have been entered into with the London Joint-Stock Bank."

We are happy to state that this bank resumed business on the 1st of December, 1847, and it is hoped that it will now be able to proceed satisfactorily.

The following Report and Balance-sheet may be important hereafter for reference:—

Report of a committee appointed at a meeting of Shareholders, held at the Royal Bank of Liverpool, on Saturday, the 23rd of October, 1847.

"Having been deputed by a body of shareholders to inquire into the position and circumstances of the Royal Bank of Liverpool, and the causes which led to its present difficulties, we have been engaged diligently in carrying out the onerous and very responsible duties assigned to us, and beg leave to report,

"That the main feature of the case is that which is already matter of public notoriety, the absorption of a large portion of the paid-up capital of

the bank by the operations of one house, Messrs. Barton, Irlam, and Higginson, and the simple history is, that the manager, having advanced a large amount upon assurances which were not fulfilled, he would then have brought the account to a close, but was not supported by the directors of the day in his strongly expressed opinions; and upon resuming his duties, after an absence of a few months, consequent upon ill-health, Sir Thomas Brancker acting as manager in the meanwhile, the advances had reached an amount which put at hazard the existence of the bank.

"Although we instance the one great account, we think it our duty to state that our attention has been directed to other instances of large advances for which the bank has only securities of so unconvertible a character, as to be unavailable for banking purposes, and at a period of general pressure such accounts have necessarily added to the difficulties which the bank has had to encounter.

"We have had under our review the balance-sheet, in every possible detail; the bills of exchange in hand, and the obligations of the bank by endorsement, and the letters of credit outstanding, also the various special securities held by the bank, and though we cannot pretend to pronounce absolutely upon their special value and effect, we look upon their validity with confidence.

"Not having received any statement from Messrs. Barton, Irlam, and Higginson until a late hour on Thursday, the shortness of the time has precluded that close analysis and examination that so important a document requires, and which would enable us to form any opinion of the result of the estate.

"A synopsis annexed hereto of the liabilities and assets of the bank will show that the latter far exceed the former; but whatever may be the decision of the shareholders as to resuscitating the bank, or placing it in liquidation, we recommend a call of £100 per share to be forthwith made, in order that the claims of the depositors may be paid with as little inconvenience to them as possible; and we hope the shareholders will feel it an imperative duty to respond to this call for the benefit of those who have given their confidence to the bank.

"We think it due to the directors and managers to state, that they have afforded us every facility in the prosecution of our inquiry, and that we find the books and accounts kept in an efficient state; at the same time we cannot refrain from expressing our deep regret that an establishment so well calculated to maintain the highest character and position, and to be of such essential service to this great commercial community, should, in its operations, have produced so grievous a disappointment to the shareholders and the public.

"It now remains for the proprietors to determine whether they will endeavour to resuscitate and reconstruct the bank, or that they will proceed to immediate liquidation.

"The directors agree generally in the foregoing report, and therefore do not consider it necessary to make a separate one."

Statement of the Affairs of the Royal Bank of Liverpool, 22nd Oct., 1847.

Capital paid up	..	..	..	..	..	£646,350	0	0
Reserved surplus fund	..	..	..	..	..	100,000	0	0
Contingency fund	..	..	..	..	..	44,125	1	8
Valuation of bank-buildings	..	..	..	..	..	£65,000		
Less amounts not liquidated	..	..	..	..	..	25,000		
							40,000	0 0
Profits since June, estimated at	..	..	..	..	..	30,000	0	0
Total bank capital and property	..	..	..	..	..	£860,475	1	8

ASSETS.					
Cash and bills	..	..	..	..	£143,617 13 6
Dormant accounts	..	..	..	..	116,289 11 0
Current accounts	..	..	..	..	1,500,847 0 4
Royal bank-buildings	..	..	..	..	£65,000
Profits since June, estimated at	..	..	..	..	30,000
					<hr/> 95,000 0 0
					<hr/> £1,855,754 4 10

LIABILITIES.					
On deposit accounts	..	..	..	£645,967 7 9	
On current accounts	..	..	..	349,311 15 5	
					<hr/> 995,279 3 2
ESTIMATED LOSSES.					
On unpaid bills	..	..	..	£37,240 6 2	
On ascertained bad debts	..	..	..	30,939 12 6	
On depreciation of securities	..	..	..	42,956 10 0	
					<hr/>
Total estimated loss	..	..	..	£111,136 8 8	
Balance of capital remaining	..	..	..	749,338 13 0	
					<hr/> 860,475 1 8
					<hr/> £1,855,754 1 10

Report of the undersigned, three of the Directors of 1846, to the meeting of Proprietors in the Royal Bank of Liverpool, appointed to be held on Saturday, 30th October, 1847:—

“ We, the undersigned, in addressing ourselves to our brother proprietors, in reference to the stoppage of the bank, cannot refrain from giving utterance to our bitter regret and keen disappointment at the present position of this great establishment, and all we can urge is, that, in the course adopted, unfortunate as it has proved in result, we had no better object in view than to serve the interests of the proprietors.

“ But our first act on the present occasion is one of clear and obvious duty. It is well known that overweening confidence in the stability of one great mercantile house, followed by the extraordinary pressure of the times, has caused the stoppage of the bank. In that confidence your manager, Mr. Chaffers, did not continue to share. Nay, when the debt was about one-third its present amount, and Mr. Chaffers was on the eve of departure from home, on account of his health, he earnestly remonstrated against any further advance being made to the house in question; but the directors were of a different opinion, from the assurances of honour, wealth, and integrity of the principal partner, and fear of the bank being stopped, it did not act upon Mr. Chaffers’ recommendation.

“ In June, 1846, Mr. Chaffers went from home, and, with the exception of one short interval, was absent from the bank about seven months. During his absence Sir Thos. Brancker undertook the office of manager of the bank, and held, in addition, the office of chairman of the directors.

“ In the position in which Sir Thomas was now placed, confident of the stability of the house, and reposing implicitly in the integrity and good faith of the principal of the firm, he was led on by degrees to make advances, even in the face of promises unfulfilled, until the amount was literally overwhelming to contemplate, and the firm was then upheld lest the bank itself should go down.

“ In thus adverting to the name of Sir Thomas Branckner, we have no wish to cast an undue share of blame upon him; but it is right that the proprietors should know that we were not acquainted with the details of the trans-

action as they occurred. Whilst Mr. Chaffers was at home Sir Thomas Brancker alone was admitted to a knowledge of the accounts of the customers; during his absence Sir Thomas alone possessed this knowledge. But we are bound to confess that Sir Thomas Brancker did occasionally consult us in reference to this account, and that we beheld with consternation its increasing amount.

"In the steps taken from time to time by Sir Thomas Brancker alone, as well as those taken with our sanction, we can solemnly assure the proprietors everything was done as was supposed at the time for the best. We now see, however, that the resort to concessions, where firmness against encroachments ought alone to have been displayed, was a grievous error of judgment, and one which we shall never cease to deplore.

"WILLIAM SHAND,
"EMANUEL SWILCHENBART,
"CHARLES S. MIDDLETON."

NORTH-WESTERN BANK OF INDIA.

The drafts of the North-Western Bank of India, on Messrs. Glyn and Co., the London bankers, were refused acceptance on the 23rd December; but it was stated that they would probably be accepted on the arrival of the next mail from India. We understand that the refusal to accept is in consequence of the securities received by Glyn and Co. being insufficient, at present prices, to cover the amount of the drafts drawn. The depreciation in the value of the securities which has taken place here was not known in India at the time they were sent off, and it is expected that on the arrival of the next mail the matter will probably be satisfactorily arranged. In the meantime all sight drafts are paid on demand, and Mr. Watson, the manager of the London agency of the bank, has accepted the drafts presented. The bank has a paid up capital of £400,000, and a reserve fund of £30,000. The head office is at Meerut, with branches at Calcutta, Mussoorie, and Lahore. The last report received from the head office, of the assets and liabilities of the bank, at the 30th October, is as follows:—

Full Report for Saturday, October 30, 1847.

ASSETS.				Rs.	a.	p.
Cash and bills .. .. .	..	..	..	4,43,958	9	6
Bills discounted .. .. .	..	..	..	95,851	9	4
Government paper .. .. .	..	..	..	5,37,274	10	1
Calcutta branch .. .. .	..	..	..	5,92,747	5	0
London branch .. .. .	..	..	..	3,22,796	2	1
Suspense account .. .. .	..	..	..	9,555	4	6
Loans .. .. .	..	..	..	28,93,207	8	5
Credits .. .. .	..	..	..	1,50,925	15	9
Bank house .. .. .	..	..	..	15,000	0	0
Office furniture .. .. .	..	..	..	667	2	0
Mussoorie agency .. .. .	..	..	..	1,40,634	0	1
Calcutta agency .. .. .	..	..	..	1,10,421	3	10
Lahore agency .. .. .	..	..	..	94,011	1	10
Due by other banks .. .. .	..	..	..	2,09,412	10	6

Rs. 56,16,463 2 11

LIABILITIES.				Rs.	a.	p.
Floating deposits	..	..	..	3,04,263	11	6
Interest deposits	..	..	..	9,78,478	8	4
Reserve fund	..	..	..	2,51,200	0	0
Bank stock	..	..	..	39,92,000	0	0
Profit and loss	..	..	..	46,239	2	6
Deposits for new stock	..	..	..	2,020	10	8
Reserve profit and loss	..	..	..	10,618	0	0
Due to other banks	..	..	..	31,643	1	11
				Rs. 56,16,463	2	11

The last report of this bank will be found amongst the Bank Reports in the present Number in another page.

BANK OF THE WEST INDIES.

The last advices from Barbadoes announce that, on the refusal of the London agents to honour the acceptances of this bank becoming known in the colony, at the commencement of the past month, the bank suspended business at the head office, and all its branches. It is stated, however, that the stoppage is expected to be only temporary. The following is a copy of the published last statement of the affairs of the bank to the 31st August last:—

ASSETS.		Dollars.
Due to the bank on bill discounted, current cash accounts, cash in bankers' hands, and in repositories.....		4,450,127
Bank furniture		8,869
Total		4,458,996
DEBTS.		Dollars.
Due to the public on lodgments, including interest on current accounts and draughts current.....		3,320,519
Circulation.....		554,620
Stock		533,700
Reserve fund.....		25,541
Balance in favour of the bank		24,616
Total		4,458,996

From the above "net profits" of 24,616 dollars, the directors recommended a dividend of 4 per cent. for the half-year (being at the rate of 8 per cent. per annum), and as this would take 21,348 dollars, all that remained to be carried to the reserve fund, in addition to the 25,541 dollars of which it was already composed, was 3,268 dollars—a total being thus made up of 28,809 dollars (apart from the capital), to meet all the contingencies likely to arise. It has been observed with reference to this statement, that no clue is given as to the amount of the cash in hand; and

as this in the June account was considerably less than a twentieth part of the liabilities, there is reason to apprehend it would still be found to present an equally unfavourable appearance. In their report the directors state, that by the rules of the bank the managers and their sureties are held liable for any losses that may arise from their making imprudent advances, but that no losses of that nature "to any great amount" can be shown. They refer also to the suspension of payments of the New York agents of the bank, adding, that no loss will be sustained on that account.

THE ABINGDON BANK.

A meeting of the creditors of Mr. Henry Knapp, of the Abingdon Bank, was held at Basinghall-street, London, on the 23rd December ult., when the bankrupt surrendered to the fiat. No balance-sheet was produced, but it was stated that the assets will probably amount to £20,000, and that a good dividend may therefore be expected.

NEWCASTLE, SHIELDS, AND SUNDERLAND UNION BANK.

The following is "the basis of a plan for resuming the business of this Bank," which the *Newcastle Chronicle* states it is authorized to publish:—

The existing engagements of the Bank shall be provided for and discharged out of its funds and securities, and by means of calls on the present shareholders, who shall guarantee the new shareholders against all liability in respect of these engagements.

The Bank shall be re-opened on the 1st February, 1848, and the accounts from that time shall be kept distinct and separate from all previous transactions.

The capital for prosecuting the business shall be provided by the creation and issue of 30,000 preference shares, which will amount to one preference share for each original share in the Bank. These preference shares, like the existing shares, shall be shares of £10 each, but £5 only shall be called for, which will produce a capital of £150,000, on which a dividend of £7 per cent. out of the profits shall be paid before any general division of property. Each holder of original shares having contributed his proportion of the funds required for the payment of the debts of the Bank shall have the option of taking a like number of preference shares, continuing, at the same time, to hold his original shares; or, if he declines to take preference shares, he may sell the privilege of taking them to any purchaser approved by the directors, and may retain, sell, or surrender, his original shares in respect of which all liability shall have been discharged, at his option. With respect to original shares on which the payment of calls cannot be obtained, they shall be declared forfeited, and disposed of with the preference shares intended to be attached to them, by the directors, for the benefit of the Company. The result will be that there will be 30,000 preference shares, and 30,000 original shares, a very large proportion of the former being held by holders of the latter; and it is proposed that the surplus profits, after payment of the preferential dividend of £7 per cent. shall belong to the holders of preference shares and of original shares without distinction.

By this arrangement substantial justice will be done to the existing shareholders, they will have the option of advancing the additional capital on which a dividend of £7 per cent. is secured, and those to whom it is inconvenient to make the further advance of capital, may retain their original shares, to which a positive value is given by a right to an equal participation in the surplus profits, which, by the exercise of ordinary care and prudence, it is quite expected will exceed what is required for the fixed dividend on the preferential shares.

The following changes are proposed to be made in the constitution of the bank :—

The office of general director shall be abolished, the number of seven directors remaining as at present.

There shall be one manager, and two of the seven directors, who shall be responsible and paid directors, associated with him in authority, one of whom shall be in daily attendance at the Banking-house in Newcastle.

In case of difference of opinion amongst these three, on any point, it shall be decided by the directors generally, who shall be specially convened, if necessary, but who shall meet regularly once a month.

The guarantee, or reserve fund, shall be invested in exchequer bills, or in government securities, so as to be always at command in case of need.

The directors shall have an absolute vote on the transfer of shares to persons whom they do not consider eligible as shareholders.

The note circulation of the Bank shall be given up, and Bank of England notes only shall be circulated.

With these changes in the constitution and management of the Bank, and with a clear paid-up capital of £150,000, and the power of increasing it to £300,000, it is confidently believed that the business of the Bank may be safely and profitably conducted. The deposits and balances due to the customers of the Bank shall be paid to their credit in the new account, so soon as the necessary funds can be realised from the assets of the existing shareholders; and the only payment in aid of those assets which will be made out of the new capital will be for the purchase of the Banking-houses of the Company.

The new establishment will thus have all the benefit of the connexions of the old one, without any drawback; and it may safely be asserted, that few Joint-Stock Banking Companies have been able to commence business under more favourable circumstances. In order to carry these measures into effect, it will be necessary to hold two special general meetings of shareholders, under the provisions of the deed of settlement.

ON THE PUNISHMENT OF FRAUDULENT DEBTORS.

THE pressure of those subjects which have a more direct and immediate effect upon the monetary affairs of the country, has prevented our noticing a subject which is hardly of secondary importance. There is no question that Peel's Act of 1844, has been a most powerful exciting cause of recent disasters; there is no question that famine, and gigantic railway speculations, scrip and share gambling, have severely aggravated the effects of that narrow minded measure, by which, in fact, the many have been sacrificed to the cupidity of the few, but it is no less true, that

the vitiating effects of our bankruptcy and insolvency laws, have been of all others the most long continued predisposing agents. What may be the immediate cause of cholera or of influenza, we know not, but this we know, that vicious habits, bad water, foul air, are the agents by which the physical powers are debilitated and the resisting vitality of the body weakened, and thus they become the inveterate predisposing causes regulating the number and the severity of the attacks. Also, whatever may be the immediate cause by which a panic and a severe commercial crisis may be brought about, this we know, that a lax commercial morality, careless habits of business, reckless trading, impunity in nearly every kind of mercantile offence, created and encouraged by the laws of a country, will ever be the predisposing states by which the mercantile body is divested of all power of resisting any accession of general calamity, or of accommodating itself to new, sudden, or ill advised currency acts. It is desirable that there should be no bad weather, but the skilful seaman is nevertheless required to prepare against it,—it is desirable that there should be no empirical tempering with the currency, but a skilful merchant is nevertheless required to provide against it, and to take care that he does *not extend* without limit his liabilities, just as the currency, the instrument of effecting his bargains, becomes *confined* within a narrower and narrower limit.

Without pursuing the subject further, it must be insisted by all who are labouring to prevent, or to mitigate, the sufferings consequent on commercial difficulties, that vicious bankruptcy laws are at the roots of the evil, and that no improvement of our currency (vicious as under Peel's act it is), no extension of free trade principles, will be of any permanent good whatever, unless these laws be improved,—improved by quickening the procedure, rendering it much less costly, by giving much more summary power over the person of the debtor, and by a well adjusted scale of punishment that shall visit with wholesome stringency every wilful insolvent, but shall relieve from all persecution every really unfortunate or involuntary insolvent. Public opinion is already demanding it, and the proceedings in the bankruptcy courts show that a much more correct and humane opinion is now held by the judges. During the past month a case was adjudged, which gave occasion for the delivery of a most profound and philosophical lecture on some of the duties of a trader in relation to his creditors, a lecture which we cannot allow to die with the voice of the judge, (Mr. Com. Holroyd) nor to pass away in the forgotten columns of the daily press; but we give it a more persistent form in these pages, and should be glad to see it even more generally diffused than it already has been in the 25,000 copies of the columns of the *Times Newspaper*.

Court of Bankruptcy, Basinghall Street, Dec. 17.—Before Mr. Commissioner Holroyd.

IN THE BANKRUPTCY OF W. QUINCEY.

The bankrupt was a tinplate-worker in Old Street, St. Luke's. He applied for his certificate some weeks ago, and his Honour deferred judgment until this day.

The judgment of the Court was as follows: I have carefully considered all the circumstances of the case, and I feel bound to say that the embarrassments of the bankrupt must be attributed to his own fault, and not to the casualties of trade, or unavoidable misfortune. His trade, that of a tinplate-worker, was a most extensive one. I believe it was one of the largest establishments of the kind in London; but, although it may be said to have exhibited much of "the grand and marvellous," as the result has shown, it certainly embraced little of the solid or the profitable. It appears to me that this lamentable consequence is mainly to be traced to that most ruinous of all resources—excessive engagements in bill transactions, many of which were accommodation and renewals thereof from time to time. These were truly stated by the learned counsel for the assignees to be heavy, continuous, and extensive. In April, 1846, I think, the bankrupt was under acceptances to one house to the amount of £30,000. A system of apparently unrestricted accommodation had been going on for some years between the bankrupt and some other trading firms in succession. At the time of the bankruptcy his *bonâ fide* debt to Messrs. Ricketts, James, and Co., for goods bought and money lent by the three successive firms of Vigors and Co.; Trevelyan James; and Ricketts, James, and Co., was about £19,000. This was met by bills, many of which had been renewed from time to time; and there were other acceptances of the bankrupt in circulation, for the accommodation of Ricketts, James, and Co., amounting to about £12,000. The total amount of credits for value and liabilities is above £62,000, by far the greater portion of which is represented by bill-holders; and the assets will range between £10,000 and £12,000. Now, a business cannot be deemed prosperous unless the value of the annual produce exceeds that of the annual consumption. The present case, unfortunately, continued for some years previous to the bankruptcy to exhibit a reverse picture. The natural consequence of this would have been a decrease in the capital, and a corresponding diminution in the annual produce. What, then, was the bankrupt's resource? The transactions of his trade were provided for by bills of exchange; and, as his total expenditure very much exceeded his revenue, in order to meet the deficiency, bills to a large amount were drawn or acceptances given, and when they became due were paid by other bills, with accumulated interest and commission. This system is repeated from time to time, and further, notwithstanding the inability of the bankrupt to meet his own bills, he became party to a similar course of proceeding for the accommodation of others with whom he had large dealings. That learned and powerful writer, Adam Smith, in speaking of the evils of this system, and the loss which must arise from any such operation, says, "The project of replenishing coffers in this manner may be compared to that of a man who had a water-pond from which a stream was continually running out, and into which no stream was running, but who proposed to keep it always equally full by employing a number of people to go continually with buckets to a well some miles distant in order to bring water to replenish it." This case then appears to me to afford a striking example of the great abuse which may be made in the circulation of paper securities. Let it not be, however, supposed that the Court undervalues the facilities afforded to commerce through the medium of bills of exchange. The exchange carried on by this medium has been called "the waters upon which the vessel of commerce floats." But to carry the simile further, it should be remembered

that there are "merchant-marring" rocks in every sea, and upon such a reef every trader sooner or later will most assuredly be stranded who continues year after year to bolster up his credit by the re-discounting or renewal of bills from time to time, until at length, unable to obtain further assistance, he has to steer his course through a mass of accumulated obligations which must necessarily overwhelm him. Such a trader may be said to "venture madly on a desperate mart," for no house can be permanently supported by such a system. The expedient must fail at last, and ruin be the inevitable consequence. The only excuse made for the conduct of the bankrupt in this respect is that Messrs. Ricketts and James were his principal creditors, and to have refused acceptances for them would have brought the bankrupt at once into the *Gazette*. Willing as the Court may be to make reasonable allowance for the weakness of human nature, it cannot exculpate the bankrupt's conduct. There are certain general rules of commercial prudence—certain landmarks of right and wrong, which should regulate the conduct of every trader, and of these none is more important than that as long as he carries on his trade he should do no act at the cost of his independence. Thus he may always be ready to say, "Let fortune do her worst, whatever she makes us lose, so long as she never makes us lose our honesty and independence." It is related, that "so high was the general estimation in which the merchants of Italy were held for honour and integrity, that the simple affirmation, '*In fede d'un real mercatante*,' or 'by the faith of a true merchant,' was considered one of the most solemn that could be made." May the character of the British merchant ever stand as high! But what becomes of this boasted faith in the trader who sacrifices his independence for the convenience of a particular creditor? In this case the bankrupt, not being able duly to meet his payments with Messrs. Ricketts and James, and fearing the consequences, incurs further liabilities on their account. Is this right or excusable with a due regard to the interests of his other creditors? Certainly not. In truth, it appears to me to amount almost to an admission that his affairs were in such a state that he ought without further delay to have laid a statement of them before his creditors. The bankruptcy, however, was delayed till, *ex necessitate*, it followed that of Messrs. Ricketts and James. His Honour then referred to the incorrect manner in which the books were kept, and referred to the evidence of the bankrupt's own accountant in confirmation of what he stated. The learned Commissioner proceeded.—Now, the consequence of this imperfect state of his books is, that there is no one period of time since the 1st of January, 1834, when Mr. Howard retired from this business and the bankrupt commenced carrying it on on his own account, at which it can be made to appear whether he was solvent or insolvent. A further consequence of this is a balance-sheet extending over the whole period of 13 years. Mr. Lawrance, in his able address to the Court on behalf of the bankrupt, said that he had for many years traded prosperously, and occupied a high position in the mercantile world. Do the bankrupt's books support this assertion, or show that he was worthy of such a position. Has he performed what his character and station in the mercantile world required of him? On the contrary, he has altogether disregarded one of the strongest obligations upon him as a trader. I had occasion in a late case to dwell at some length upon the great importance of accuracy and regularity in book-keeping, as well as upon the ruinous consequences of obscurity in this department. If a trader be desirous of securing a correct and satisfactory statement of his affairs, there must be no intermission in book-keeping. To repeat the observations of an able writer on this subject,—"The principle of book-keeping is of such inflexible rigour that it never admits of relaxation under any conceivable circumstances, though it adapts itself with equal facility to every possible matter of account." Traders cannot too often call to mind the proverb, "*Ubi non est ordo, ibi est confusio*."

This, which is applicable on most occasions, is universally true in mercantile affairs; and, on this point, I cannot doubt but that the bankrupt's own conscience must be his answer. The mismanagement of his trade, for we can call it nothing else, when we look to the trade expenses (£66,840) as compared with the profits (£69,195), 20 per cent. on the net amount of sales, and the excess of his housekeeping and family expenditure (£22,610), as compared with his net profits, may all, I think, be easily accounted for by the confusion of his accounts, his never "taking stock," and his consequent ignorance of the real state of his affairs. Reviewing the whole of this case, I think the bankrupt was guilty of great negligence and indiscretion in a business which required extraordinary circumspection and prudence. (After enumerating the leading circumstances of the case, his Honour proceeded.) He (the bankrupt) had to compete with rising establishments similar to his own, but probably of a much less expensive character. I find also that the losses sustained by the bankrupt were considerably above £8,000 for bad debits carried to losses, so that some hundreds ought to have been written off every year on that account. The stock also was of a very uncertain nature, and, judging from the losses on the sale under the fiat, its value must always have been precarious. Without nicely scanning the domestic expenses of the bankrupt, it is obvious that they amounted to a sum out of all proportion to what would appear to have been the profits of his trading. As to his profits, he very probably was deceived; but if so, that arose from irregularity in his accounts. Under all the circumstances, and having regard to the high position held by the bankrupt as a trader, which must operate in aggravation of his default, more particularly in his book-keeping, the Court adjudges that the allowance of his certificate be suspended for one year from the day of his application, the 9th of November last.

Protection for one month was granted.

If men who thus give their talents to the elucidation of the subjects they adjudicate, be supported by a wise commercial code, —and they are powerless without it,—we venture to predict that commercial crises will soon be matters of history, and that the ancient habits of cautious plodding industry will take the place among our merchants of their present extravagance and daring ventures. The Tulipomania of Holland gave rise to such a stern code as has, if not entirely prevented, yet greatly controlled the misconduct of the Dutch merchant.

Savings' Banks.

THE RESULT OF THE TRANSACTIONS OF THE SAVINGS' BANK DEPOSITORS DURING 1847.

THE past year, although one of unusual commercial depression, and consequent low prices, has been pre-eminently distinguished for bringing out the principal objects in the establishment of Savings' Banks, viz., the accumulation of small sums by the smallest class of the depositors, and the withdrawal, on the part of the largest classes of the depositors, of their funds when they become individually large, and when other more suitable

and more profitable investments can be procured. One example, which has been deduced from the general statements of the funds of a large London Savings' Bank, for the two years ended respectively on the 20th November, 1846 and 1847, filled up and returned to the National Debt Office pursuant to the statutes, and which may be deemed applicable to all the other Savings' Banks, will suffice to corroborate this assertion.

According to these statements, the total amount of the balances of each class of the depositors stood thus at the periods mentioned :

	20th Nov., 1847.	20th Nov., 1846.
Balances not exceeding £20 each	138,884	140,329
Ditto between £20 and £50 each.....	328,950	314,909
Ditto „ £50 and £100 „	397,260	344,712
Ditto „ £100 and £150 „	267,374	213,037
Ditto „ £150 and £200 „	203,729	150,860
Ditto exceeding £200.....	12,884	8,831
Totals on 20th Nov., 1846, and 1847 ..	1,349,081	1,172,678
Total on 20th Nov., 1847	1,172,678	
Decrease in 1847	176,403	

The difference in the amounts of the above balances on the 20th November, 1847, and on the 20th November, 1846, is thus shown :

	On 20th Nov., 1847.	
	Increase.	Decrease.
	£	£
Balances not exceeding £20 each	1,445	—
Ditto between £20 and £50 each.....	..	14,041
Ditto „ £50 and £100 „ .....	..	52,548
Ditto „ £100 and £150 „ .....	..	54,337
Ditto „ £150 and £200 „ .....	..	52,869
Ditto exceeding £200 each .....	..	4,053
Totals on 20th November, 1847	1,445	177,848
Increase .....	..	1,445
Balance, decrease		176,403

The proportions which the above increase and decrease in the total amounts of the balances on the 20th November, 1847, bear to the total amounts of the balances on the 20th November, 1846, will be found to be as follows :

	On 20th November, 1847.	
	Increase.	Decrease.
	£	£
Balances exceeding £200 each	one-third.
Ditto between £150 and £200 each..	one-fourth.
Ditto „ £100 and £150 „	one-fifth.
Ditto „ £50 and £100 „	one-seventh.
Ditto „ £20 and £50 „	one-twenty-third.
Ditto not exceeding £20	one-ninety-sixth.	....

Again, according to the same statements, the total number of depositors in each class on the 20th November, 1846, and the 20th November, 1847, stood thus :

		20th Nov., 1846.	20th Nov., 1847.
Depositors whose respective balances did not exceed £20 each..		18,974	19,792
Ditto ditto were between £20 and £50 ..		10,546	10,123
Ditto ditto " £50 and £100 ..		5,898	4,955
Ditto ditto " £100 and £150 ..		2,204	1,763
Ditto ditto " £150 and £200 ..		1,187	880
Ditto ditto exceeded £200 each		44	30
Totals on 20th Nov., 1846 and 1847		38,653	37,543
Total on 20th Nov., 1847		37,543	
Decrease in 1847.....		1,110	

The difference in the numbers of the above classes of depositors on the 20th November, 1847, and on the 20th November, 1846, is thus shown :

		On 20th Nov., 1847. Increase.	Decrease.
Depositors whose respective balances did not exceed £20 each..		818	—
Ditto ditto were between £20 and £50 ..		..	423
Ditto ditto " £50 and £100 ..		..	743
Ditto ditto " £100 and £150 ..		..	441
Ditto ditto " £150 and £200 ..		..	307
Ditto ditto exceeded £200 each .....		..	14
Totals on 20th Nov., 1847.....		818	1,928
Increase.....			818
Balance, decrease			1,110

The proportions which the above increase and decrease in the total number of depositors in each class on the 20th November, 1847, bear to the total number of depositors, in each class, on the 20th November, 1846, will be found to be as follows :

		On 20th November, 1847. Increase.	Decrease.
Depositors whose respective balances exceeded £200 each .....		....	one-third.
Ditto ditto were between £150 & £200 each .....		....	one-third.
Ditto ditto " £100 & £150 ..		....	one-fifth.
Ditto ditto " £50 & £100 ..		....	one-seventh.
Ditto ditto " £20 & £50 ..		....	one-twenty-fourth
Ditto ditto did not exceed £20 each.....		one-twenty-third.	

A single glance at the above details will be sufficient to convince the most sceptical that, whatever may have been the result of the transactions of the depositors in the Savings' Banks generally in any previous years, those institutions, judging from the proceedings of the one to which the above particulars immediately refer, and according to which all the others may very fairly be estimated, have been most satisfactorily accomplishing, during the past year, the objects for which they were originally established. It matters not whether the money which has been largely withdrawn from them during the year has been devoted to the construction of Railways, or to direct investment in the

Government Funds, on account of the low prices, or to the legitimate purposes of trade and commerce, either directly by the depositors themselves, or indirectly through the medium of Joint Stock Banks, or any other similar establishments, the intentions of the Founders of Savings' Banks, and of successive Governments and Parliaments which have fostered and encouraged them, have been fully answered by the increased number of the smallest class of the depositors and the increased amount of their deposits, and by the reduced number of the larger classes of the depositors and the reduced amount of their deposits, in a regular progressive ratio from those depositors whose balances exceeded £200 to those whose balances were between £20 and £50 each.

The loss which has resulted to the nation from the decreased amount alluded to, is, however, another consideration. We have already, in our last number, shown that the sales of Stock by the National Debt Commissioners, to meet the demands of the Savings' Bank depositors, for the return of their money from March to June last, entailed a loss upon the nation exceeding one hundred thousand pounds, and we shall be able to show the further loss arising from the subsequent sales for the same purpose from June to last month, after the publication of a Parliamentary Return moved for by Mr. Hume, during the recent short session. The subject of the loss incurred throughout the past year may then, no doubt, be again usefully adverted to.

It will have been perceived that we have purposely suppressed the name and precise locality of the Savings' Bank, from the general statements of which, for the two last years, we have extracted, by way of example, the particulars relating to the increase and decrease in the number of the different classes of the depositors, and in the amount of their deposits, lest it should appear invidious to particularize that one institution, and not wishing to give umbrage to any of the officers employed in it, because we are quite aware that, as the means for the payment of salaries and other expenses of management, depend upon the amount deposited, it must be difficult for the parties interested in the extent of that amount to bring themselves to believe that a considerable diminution in the number of the larger balances forming the greatest portion of it, can be in any respect desirable. The fault, however, is not theirs, but that of the system.

It has been too much the custom of late years for Comptrollers of Savings' Banks to attempt, in their reports to managers, and in the published statements of their transactions, to lead them and the public to estimate the utility of those institutions according to the increase in the amount of money deposited in them, without reference to the classes of persons by whom such increased amount was deposited. Thus, for instance, the

circumstance that the funds of one Savings' Bank in London had, from November 1842, to June 1843, during which period the 3 per cent. Consols were as high in price as 97, and when the depositors in that Savings' Bank were receiving interest on their deposits at the rate of nearly $3\frac{1}{2}$ per cent. per annum,—increased by a sum of about £70,000, was considered of so gratifying a nature as to afford the Comptroller and Secretary of that Savings' Bank the satisfaction to report, at a general meeting of the Managers held in the latter month, that during that portion of the year, the institution, both in the increased amount of the deposits, and in the reduced amount of the repayments, had manifested an extraordinary state of prosperity, far exceeding that which had been shown for several years previous.

The increase of funds during 1843, which constituted the extraordinary prosperity alluded to in June, was thus divided among the different classes of the depositors on the 30th November following, according to the statement transmitted to the National Debt Office.

On the depositors' balances between £150 and £200 each, the increase was..	£	22,344
Ditto ditto £100 and £150 " "	..	25,209
Ditto ditto £50 and £100 " "	..	29,670
Ditto ditto £20 and £50 " "	..	19,336
		<hr/>
		96,559
Ditto ditto not exceeding £20 " "	..	4,875
		<hr/>
Total increase	£	101,434

So that of the total increase, amounting to £101,434 in the depositors' balances of the different classes up to £200 each, the increase in the class of depositors whose balances did not exceed £20 each, was only £4,875 or one twentieth part of the total increase.

Conceiving that the chief object in the establishment of Savings' Banks, as originally contemplated by their founders, was the receipt of small savings from the industrious classes, we consider that exultation at any extraordinary degree of prosperity, or rather utility or success experienced by those institutions, would be more justifiable and suitable, if exhibited at the result of the transactions during the past year, such as we have displayed it, when the balances of the smallest class of depositors have increased, while those of the larger classes have been reduced, than when the transactions have been attended with a result showing the increase in the amount of the balances of the smallest class of the depositors, to bear such a small proportion to the increase in the amount of the balances of the other classes of the depositors as £4,875 to £96,559.

But the fact as regards Savings' Banks is the same as

unfortunately regards other charitable institutions,—that they all more or less exhibit lists of titled and other well known patrons, managers, or directors, who seldom interfere with official details, and that in the machinery of each there are salaried officers who are anxious for the surpassing prosperity of the one upon which they depend, and who, therefore, infuse into their proceedings a portion of the genuine trading spirit; for, although the desire may be neither disgraceful to the individual concerned, nor unnatural, it has no business to appear in the overt acts of the institution, or in the details of their proceedings printed under the direction of their officers.

Whenever, therefore, it may be deemed expedient by the government to propose to parliament a reconsideration of the Savings' Bank Statutes,—and the officers of some Savings' Banks have recently been urging with much earnestness on the Chancellor of the Exchequer the necessity of this step, with the view, however, solely of increasing the rate of interest payable to the depositors, in order to stop the withdrawal by them of the larger balances,—the result of the transactions of the Savings' Banks depositors during the past year will tend more than any other circumstance to place the Savings' Bank question in its proper light; and show the propriety not only of making some regulation respecting the withdrawal of deposits when they become individually large, and when other modes of investment offer, so that such withdrawal may be attended with as little loss to the public as possible, but also of adopting some other than the existing plan of providing funds for the payments of the expenses of management, which has been found to offer an inducement to the Savings' Bank officers to encourage a progressive increase of the larger classes of balances, and a retention of them after they have reached the *maximum* amount allowed by the statute, even although the withdrawal of them would be at the time beneficial to the depositors themselves, and might be effected without causing a material loss, if any, to the public.

EFFECT OF THE MONETARY PRESSURE ON SAVINGS' BANKS' DEPOSITS IN LONDON AND EDINBURGH.

THE following comparative particulars are extracted from the last Annual General Statement, and transmitted to the National Debt Office, of one of the principal Savings' Banks in London, (Charing Cross), and of the principal Savings' Bank in Edinburgh, (Head of the Mound):—

IN THE YEAR ENDED 20th NOVEMBER, 1847.		London.	Edinburgh.
Sums actually paid to Depositors in money, including Interest ..	£20,898	204,787	
Sums received of Depositors	306,363	131,255	
Balance, being excess of payments over deposits	214,529	73,532	
Interest on Monies invested with National Debt Commissioners, including Interest on Sums drawn for by the Trustees upon the Commissioners, Interest on the Treasurer's Account, and Cash received for issue of Duplicate Deposit Books	42,017	11,073	
Interest credited to the Depositors	36,979	9,626	
Reserved Interest and Profit	5,038	1,447	
Amount actually paid for management	5,241	1,321	
Surplus		126	
Amount expended in excess	203		
Number of operations by Depositors		81,822	
Expenses of Management—			
Salaries and Allowances	4,245	953	
Rent, Taxes, Rates, Insurance, Coals and Gas	471	125	
Printing and Stationery	128	96	
Repairs and Alterations	207	100	
Law Expenses	31	—	
Sundries	159	47	
Total Expenses of Management	5,241	1,321	
Number of Depositors, whose respective balances on 20th Novem., 1847, did not exceed £20 each	19,792	21,082	
Number of the other Depositors	17,855	4,994	
Total Number of Depositors' Balances	37,647	26,076	
Rate per cent. of Annual Interest allowed to the Depositors	£ s. d. 2 18 4	£ s. d. 2 17 9	
Lowest Sum on which Interest is computed	0 20 0	0 5 0	
Number and Style of Officers employed	{ Comptroller & Secretary; 2 Auditors; Chief Cashier & Account; 3 Cashiers; 6 Clerks.		
		Actuary; Cashier; 10 Clerks.	
Total balances due to all the Depositors on the 20th of November, 1847	£1,180,682	£306,160	

The state of monetary affairs throughout the last year has, it will have been seen, had its effect on both the above institutions in producing an excess in amount of payments over deposits, and to a greater extent in proportion to the total amount of the depositors' balances in the institution in Edinburgh than in the one in London.

The number of depositors in the former holding the smallest class of balances, viz., £21,082, compared with the total number, viz., £26,076, merits attention. The encouragement which ought

to be given to this class of depositors is, however, a point upon which Mr. Maitland, the Actuary, insists, both in his annual reports and in his other publications, to which we have on several former occasions favourably alluded. He maintains, and most properly so, that Savings' Banks ought not to be used as places of fixed investment for sums that might be otherwise invested, and that they should not supply the accommodation afforded by the deposit account system of the ordinary commercial banks, but that they should be places of deposit for small sums only. If they were such, and such alone, they would then be exclusively useful, and would exactly come up to the desire and intention of the Legislature. Mr. Maitland, it is clear, from the above particulars, acts up to the principle he endeavours to inculcate. The economy practised in the management of his Savings' Bank is also a striking feature. He calculates that the ordinary expenses of Savings' Banks can be defrayed at the rate of about one shilling per annum for each individual deposit account, a calculation which is as nearly as possible verified in the case of his own establishment.

BALANCE SHEETS OF THE COMMERCIAL FIRMS WHICH HAVE RECENTLY FAILED.

MESSRS. TRUMAN & COOK.

At a meeting of the creditors of Messrs. Truman & Cook, the extensive colonial brokers, who suspended payments on the 16th of November, 1847, held on the 22nd of December, 1847, at their counting house in Mincing Lane, Henry Kingcote, Esq., in the chair, the following balance sheet, showing the state of the house at the date of its stoppage, was laid before the meeting.

General Statement of the Affairs of Messrs. Truman & Cook, Nov. 15th, 1847.

<i>Dr.</i>	<i>£</i>	<i>s.</i>	<i>d.</i>	<i>£</i>	<i>s.</i>	<i>d.</i>
To amount of acceptances out	360,835	13	3			
Less a sum of £500 off one bill for £3,500 with the London Joint-Stock Bank, upon which they advanced only £3000	500	0	0			
				360,335	13	2
To sundry creditors on open balances				18,769	3	3
To sundry creditors for produce sold, the proceeds of which will be paid to them so soon as it is received by Truman and Cook	42,330	18	8			
To sundry creditors holding security :—						
Estimated value of securities held by them	90,500	0	0			
Amount of their claims	68,749	5	0			
Amount available to the estate as per contra	21,750	15	0			

To liabilities on bills receivable under disc.	£87,362	10	0
Do. do. do. guarantee	1,000	0	0

£88,362 10 0

The whole of these bills will be duly honoured by the acceptors, and proceeds are expected to cover the guarantee; in which case there will be no claim on the estate in respect of the above sum of £88,362 10s.

£379,104 16 5

Cr.	Amount at which they stand to debit.	Amount which they are estimated to produce.
By sundry debtors (good), £112,420 0 4		
By less amount to be paid over to creditors, as per contra .. £42,330 18 8		
	£70,089 1 8	£70,089 1 8
By do., partly secured	360,519 19 6	220,609 6 3
By do., doubtful, unsecured	9,899 14 3	4,650 10 1
By bills receivable, in hand	15,157 12 11	13,561 6 6
By cash balance, at bankers, £1,048 17 3		
By do., in hand	1,300 0 0	
	2,348 17 3	2,348 17 3
By produce in hand	52,825 11 11	52,825 11 11
By surplus balance of securities, as per contra	21,750 15 0	21,750 15 0
	£532,591 12 6	£385,835 8 8
Less salaries and charges to be paid,—		
£1,500 0 0		
Charges of sending an efficient person to the West Indies, and other expenses of liquidation, say .. £2,500 0 0		
		4,000 0 0
		£381,835 8 8

Estimated proceeds of Mr. Cook's separate estate, £22,000.

The balance at the bankers was £11,048 17s. 3d.; but they wrote off a sum of £10,000 to the loan account, which has increased the surplus balance arising from securities, upon which advances were made to the sum of £21,750 15s., as stated above.

In addition to the above statement, a very satisfactory report was presented by Mr. Coleman, the accountant (who had been appointed by the Bank of England), approving of the suspension of payments by the house at the time it took place, as being the most beneficial course for the creditors. There was also laid before the meeting the following supplemental statement, showing the amount of the debts and assets at the present time (22nd of December, 1847), which upon the result of these statements appeared as follows:—

	Liabilities.	£	s.	d.
Total acceptances		297,435	13	2
Creditors on open balances		22,345	2	0
Creditors secured fully	£68,449 5 0			
With surplus	21,750 15 0			
Liabilities on bills under discount and on guarantee, all good	89,362 10 0			
Total liabilities		£319,780	15	2

<i>Assets.</i>						£	s.	d.
Good debts	..	..	..	..	..	70,089	1	8
Debts secured	..	..	..	..	..	177,815	5	10
Cash balance in hand and at bankers'	..	..	..	..	..	2,348	17	3
Produce	..	..	..	..	..	36,108	11	1
Doubtful debts, valued at	..	..	..	..	..	4,650	10	1
Bills on hand	..	..	..	..	..	13,561	6	6
Surplus balance of securities	..	..	..	..	..	21,750	15	0
Total assets						£326,324	7	5

The surplus of the private property, after payment of the private liabilities, would be also available.

It was then stated to the meeting that the house would be prepared to pay 20s. in the pound by three instalments of 5s. in the pound each, the first to be paid on the 18th day of January, 1848; the second on the 18th day of May, 1848; the third on the 18th day of September, 1848; and by two instalments of 2s. 6d. in the pound each, the first on the 18th day of January, 1849, and the last on the 18th day of April, 1849. It was thereupon resolved,

1. That it is expedient for the creditors to concur in allowing the house to proceed with the administration of its affairs under inspectors, and that the following gentlemen be requested to act as such inspectors:—Joshua Bates, Esq., Henry D. Blythe, Esq., and Eric Erichsen, Esq.

2. That the house be authorised to pay small debts, not exceeding in the aggregate ££1,500.

3. That a deed be forthwith prepared by which the partners shall covenant to pay 20s. in the pound according to the proposal, viz:—

5s. in the pound on the 18th of January, 1848; 5s. in the pound on the 18th of May, 1848; 5s. in the pound on the 18th of September, 1848; 2s. 6d. in the pound on the 18th of January, 1849; 2s. 6d. in the pound on the 18th of April, 1849.

4. That such deed shall contain covenants by the creditors not to sue, and an ultimate release on payment of the instalments. But with such provisions as the inspectors shall deem necessary for assigning all the outstanding assets to trustees, in case there shall be any default in payment of the instalments, or in case they shall otherwise deem it necessary.

5. That the deed shall, in other respects, be prepared in such manner as the inspectors, on behalf of the creditors, shall approve, and with such clauses as are usual in deeds of inspectorship.

6. That the house shall be at liberty to give its promissory notes or acceptances for the several instalments, such notes or acceptances, when paid, being in satisfaction of the instalments for which they are given, and the parties taking the same being bound by the terms of the deed of inspectorship.

7. That creditors acceding to this arrangement, shall not be prejudiced as to their rights against third parties, or upon their securities.

8. That the private property of the partners, after payment of their separate liabilities, be made available for the payment of the instalments, or otherwise applied in the administration, as the inspectors may direct.

9. That Mr. Trueman, Sen., and Mr. Trueman, Jun., and Mr. William Cook, be relieved from attending to the administration, and that the same be conducted by Mr. Cook and Mr. Windsor, under the inspectors.

It having been stated to the meeting that the partners would require no allowance during the liquidation,

It was further resolved,—That any of the partners should be at liberty to transact business as brokers, on their covenanting not to use, either directly or

indirectly, any of the existing assets of the firm, and to incur no new engagements which could by any possibility be thrown on the existing assets. But such business shall be discontinued if the inspectors shall certify that it ought not to be continued.

MESSRS. LACKERSTEEN AND CO.

A meeting of the creditors of this firm, who stopped payment on the 20th Nov. last, was held on the 4th Dec. ult., when the following balance sheets were laid before the meeting, relating to Messrs. Lackersteen & Co., and Messrs Lackersteen, Crake & Co., who were connected together in business.

Statement of the Affairs of A. A. Lackersteen, of Moorgate Street, Nov. 20, 1847.

	Claims.	£	s.	d.	£	s.	d.
To sundry creditors holding acceptances unsecured		77,548	18	0			
To sundry creditors holding acceptances fully secured, estimated value of securities.		77,900	3	7			
Amount due to creditors		48,763	13	0			
Balance taken as an asset per contra ..		£29,136	10	7			
To sundry creditors on balances undrawn for..					26,417	13	3
To sundry creditors partly secured ..		7,964	11	3			
Deduct amount of securities		7,350	0	0			
					614	11	3
					104,581	2	6
To liabilities on bills receivable, amounting to £208,804 11s. 10d., of which £20,000 has run out, and claims are expected to be made on the estate amounting to..					73,534	12	6
					£178,115	15	0

	Assets.	Ledger Balances.	Estimated to produce.	£	s.	d.	£	s.	d.
By cash balance and bills of exchange ..		4,391	16	10	2,000	0	0		
By book debts, good		41,742	7	9	41,742	7	9		
Ditto doubtful and bad		10,891	14	11	5,000	0	0		
By adventures &c., not realized..		14,968	15	10	12,000	0	0		
By surplus securities, per contra ..		29,136	10	7	20,000	0	0		
		101,125	5	11	80,742	7	9		
By balance of profit and loss account ..		21,625	14	6					
		£122,761	0	5	£80,742	7	9		

Statement of the Affairs of Messrs. Lackersteen, Crake and Co., of 9, Moorgate Street, from July 1, to November, 1847.

	Claims.	£	s.	d.	£	s.	d.
To sundry creditors holding acceptances unsecured..		32,392	6	1			
To sundry creditors holding acceptances fully secured		2,032	0	10			
To sundry creditors on balances undrawn for..					5,162	18	9
					£37,555	4	10

<i>Assets.</i>	<i>Ledger Balances.</i>		<i>Estimated to produce.</i>	
	<i>£</i>	<i>s. d.</i>	<i>£</i>	<i>s. d.</i>
By bills of exchange and cash on hand. .	18,671	5 9	13,850	5 9
By book debts	206	19 3	206	19 3
By property	2,000	0 0	2,000	0 0
By adventures outstanding	428	1 7	500	0 0
By John Lackersteen and Brothers, as per ledger balance	8,693	15 11	8,693	15 11
	<hr/>		<hr/>	
	30,000	2 6	25,251	0 11
Advanced on the former concern ..	8,243	11 5		
	<hr/>		<hr/>	
	<u>£38,243</u>	<u>13 11</u>	<u>£25,251</u>	<u>0 11</u>

Since the partnership was formed, in July last, the bills drawn on A. A. Lackersteen have, in some instances, been accepted, and often have been endorsed in the name of Lackersteen, Crake, & Co., but if claimed on this estate, the claims upon the estate of A. A. Lackersteen will be reduced to the same extent.

MESSRS. THURBURN AND CO.

The creditors of Messrs. Thurburn and Co., East India merchants, whose failure was announced on the 8th November, held a meeting on the 30th November, 1847, Mr. Thomas Dent in the chair, when the following statement of affairs was submitted for consideration :—

<i>Debts.</i>	<i>£</i>	<i>s. d.</i>
The house is under acceptances for	252,807	0 0
Part of these acceptances are against consignments of produce, of which the bills of lading are in the hands of the holders to the amount of	£65,734	0 0
Further part of these are against sundry securities, either held by the holders of the acceptances, or by their correspondents in Calcutta, to the amount of	66,254	0 0
	<hr/>	
	131,988	0 0
Balance uncovered	120,819	0 0
N.B.—Of the above amount of £65,734 against produce, it is moreover probable that the sum of £47,116 will be provided for by third parties.		
Of the above uncovered acceptances it is expected that there will be retired by third parties the sum of	16,380	0 0
	<hr/>	
	104,439	0 0
Liability on bills receivable bearing Thurburn and Co.'s endorsement, £86,000, of which there will be claims on their estate	4,700	0 0
	<hr/>	
Total debts	<u>£109,139</u>	<u>0 0</u>

	<i>Assets.</i>	£	s.	d.	£	s.	d.
Amount due by the correspondents of the house in Calcutta to Thurburn and Co., upon the various accounts, is		163,016	0	0			
A further sum due by them for funds remitted to Calcutta, for returns in bills unconnected with Thurburn and Co.'s general account, about		4,000	0	0			
		167,016	0	0			
Deduct amount of acceptances upon securities other than produce per contra		66,254	0	0			
					100,672	0	0
Amount of balance at banker's, and due by various debtors, all good, and in the course of early realization					7,074	0	0
Amount of bills receivable		30,893	0	0			
Deduct amount of loan		27,966	0	0			
					2,927	0	0
Balance of account due by another firm in Calcutta					7,000	0	0
Remittances to Calcutta to other parties					4,431	0	0
Balance due on consignments to France, about					17,500	0	0
N. B.—It is probable that there will be a heavy deficit on this sum, in which case the difference would have to go to the debit of the shippers in Calcutta.							
Total assets					£139,604	0	0

The house has no book debts, with the exception of two sums amounting together to £25. Of the £65,734 against produce in the debtor account, it is probable that £47,116 will be provided by other parties. It is also probable that there will be a heavy deficit in the amount of consignments to France. The separate estates of the partners will be available, subject to the payment of private debts. The house holds a deed of assignment of the indigo proprietors of the Calcutta house, executed by one of the partners while in this country, and which properties are valued at not less than £90,000. This deed was given to the agent, who left with full powers for Calcutta by the mail on the 20th October. The house will receive, in the course of the season, the surplus over outlay of the indigo crop of the season, which, at a very low estimate will be £25,000. Remittances are also expected from Calcutta to the amount of £55,000, and which would be forwarded before the stoppage was known: £10,000 of this has arrived, and £5,000 is expected by the present mail. The following resolution was, on the motion of Mr. J. A. Smith, M.P., unanimously adopted:—

“That it is expedient that the affairs should be liquidated under the direction of inspectors, and that the following gentlemen be requested to act as such inspectors:—Mr. Alexander Matheson, M.P., Mr. Thomas Dent, and Mr. C. Joyce; and that a dividend be paid as soon as funds can be realized, and that a proper deed be prepared, under the direction of the inspectors, containing such clauses and provisions as are usual, to be submitted to the creditors for approval. That Mr. Thurburn, sen., having come over from Egypt, and having hitherto taken no active part in the business, be allowed to return to Egypt, and that the liquidation be conducted by Mr. Thurburn, jun.

MESSRS. SAMUEL PHILLIPS AND CO.

A meeting of the creditors of Messrs. Samuel Phillips & Co., whose failure took place on the 30th of September, was held on the 4th Nov. 1847. The following statement, prepared by Mr. Samuel Notley, was submitted for consideration :—

Dr.	£	s.	d.	£	s.	d.
To Creditors unsecured	32,756	10	0			
Ditto partially secured :—						
Claims	88,594	9	4			
Securities held by them	63,454	18	1			
				25,139	11	3
Ditto wholly secured :—						
Securities held by them	19,374	8	0			
Claims	8,030	0	9			
Surplus carried as asset, per contra ..	11,344	7	3			
Liabilities on account :—						
Bills payable	136,828	19	9			
Deduct, to be provided for by other parties	93,250	11	3			
				43,578	8	6
				£101,474	9	9
Cr.	£	s.	d.	£	s.	d.
By sundry debtors ;—						
Considered good	35,896	3	10			
Considered doubtful and bad £5,353 14s. 8d., estimated at ..	478	4	8			
By surplus securities in the hands of creditors, as per contra..	11,344	7	3			
By property as per statement	54,936	0	0			
				£102,654	15	9
Deduct sundry debts to be paid in full,						
as per statement	79	3	5			
Expenses of management	2,500	0	0			
				2,579	3	5
				£100,075	12	4

N. B. The contingent liabilities through bills receivable, discounted, amount to £133,286 7s. 7d., and although several of the above bills are on firms that have suspended payment, still, through other parties to the bills it is confidently expected that the whole amount will be provided for. At the present date (November 4) upwards of £46,000 of the above amount will have ran off, supposing all the bills on India to be paid, of which there is no reason to doubt.

The above statement, which shows nearly 20s. in the pound, is more favourable than was anticipated. At the same time, it transpired in the subsequent discussion, that among the assets stated above as "good," one item of £23,000 is a litigated claim at Madras (the recovery of which, although a verdict is certain, will depend upon the ultimate position of the house from whom it is to be collected); while it was also mentioned that, among the liabilities, bills to the amount of £28,000 will possibly have to be paid in full, a lien in connexion with them existing upon the Santipore sugar estate.

MESSRS. LAURENCE PHILLIPS, & Co.

A meeting of the creditors of Laurence Phillips and Sons, who suspended payments on the 15th ult., was held on the 9th November last, when a statement of the affairs, made up by J. E. Coleman, accountant, was submitted to their consideration. Mr. Bonner, of the firm of Bonner, Small, and Co., was appointed to the chair, and the statement of affairs gave such general satisfaction to the creditors present, that no objection was made against the proposition to have the concern wound up by the house, under inspection, in the usual form, and with the customary safeguards. It will be seen by the statement which we subjoin that the assets present a considerable surplus over the liabilities; and though there are two or three contingencies which could not be calculated upon with perfect accuracy, great confidence was shown by all the parties present that the estate would pay the creditors in full, and leave a residue.

Dr. General Statement of the Affairs, Oct. 15, 1847.

To sundry creditors on account current, provided they take up the acceptances of Laurence Phillips and Sons, which are drawn for their account to the extent of £15,551 8s. 10d.	£8,824	1	8
To sundry creditors, partly secured, £10,594. 8s. 5d.; Estimated value of securities in their hands, £5,732 10s. ..	4,861	18	5
To sundry creditors wholly secured—estimated value of securities in their hands, £32,689 0s. 5d.; Claims, £30,338 16s. 8d.; Surplus to creditor as per contra £2,350 3s. 9d.			
To amount of acceptances out-standing on the 15th of October, 1847, £71,136 11s. 11d.			
Of which there are on account creditors, as above, £15,551 8s. 10d.; of this amount it is estimated there will come against this estate, £4,000 13s. 3d.	4,000	13	3
And credit is given for acceptances of Laurence Phillips and Sons to various parties who are debtors (and which such debtors are to meet) to the extent of £55,585 3s. 1d.; making together, £71,136 11s. 11d.			
To liabilities on bills receivable, £46,291 5s. 11d.; of which it is expected there will claim against this estate	682	3	0
To liabilities on acceptances given for the account of Correspondents, which are covered by real securities, and, therefore will not rank on this estate, £26,000			
	£18,368	16	4

<i>Cr.</i>	Amount which it is expected they will produce.			Amount to which they stand to debit or cost.		
By sundry debtors (good)	£17,855	17	1	£17,817	0	1
By ditto ditto (doubtful)	7,344	6	4	2,335	7	51
By Bills receivable	10,994	3	8	10,781	5	0
Of this amount £7,10 11s. 1d. is secured by bills of lading (and policies of insurance on same), and other good securities.						
By produce on hand and bills of lading of produce to arrive, estimated to yield ..	4,210	0	0	4,210	0	0
By consignments to Calcutta, Madras, Colombo, New York, and other parts ..	8,038	0	7	6,000	0	0
By surplus of securities held by creditors as per contra	2,350	3	9	2,350	3	9

<i>Cr.</i>	Amount which it is expected they will produce.	Amount to which they stand to debit or cost.
By coffee plantation at Ceylon, known as the Kaataboola estate	8,698 11 7	8,698 11 7
By debt due from the concessionaries of the Brillon Spelter Mines in Prussia ..	12,607 2 9	12,607 2 9
A company for the carrying out the work- ing of these mines has lately been formed ; the necessary authority of the Prussian government is in course of completion ; and it is expected the whole of this amount will be repaid.		
	<u>£72,098 5 9</u>	<u>£64,840 0 3</u>
Here is a balance of debt from the late firm of Barrow and Co. (which is now in course of liquidation) of	£ 5,000 0 0	£ 5,000 0 0
There is also some property, consisting of lands and houses, in America, of the estimated value of	5,000 0 0	5,000 0 0
	<u>£10,000 0 0</u>	<u>£10,000 0 0</u>

The above two items form the residue of the outstanding estate of the late firm of Jonas Phillips and Sons, and whatever proceeds are derived therefrom will be divisible equally between Mr. Lawrence Phillips and his brother, Mr. Samuel Phillips.

Mr. Barnet Phillips has London Dock Stock, of the value of £1,000.

THE LATE ROMFORD BANK.

RE-APPLICATION OF MR. THOMAS JOHNSON, SEN., FOR HIS CERTIFICATE.

The following case may be left for the consideration of our readers without comment. The circumstances under which the Romford bank failed, and the mismanagement which its bankruptcy exposed, are well known to our readers. We believe, however, that the errors of Mr. Johnson, Sen., were rather those of omission than of commission, and that few of his creditors desire that "he should not die in peace and free from the reproach which the want of his certificate necessarily occasions him." It is a sad spectacle to see a man so utterly ruined, and we hope that the commissioner may grant his application.

Bankruptcy Court, London, Dec. 16, 1847.—Before Mr. Commissioner Goulburn.

On the 16th of July, 1845, Mr. Thomas Johnson, Sen., banker, at Romford, and formerly alderman and Lord Mayor of this city, appeared before Mr. Commissioner Goulburn, demanding his certificate, and his honour then refused to grant it; the effect of such sentence being, to render Mr. Johnson an uncertificated bankrupt for life. It may be stated that there was no fraud proved upon that occasion, and that the ground of the commissioner's decision was,

that "the failure of the bankrupt in this case cannot be regarded as the result of misfortune, or of circumstances over which he had no control, but rather as arising from years of misconduct as a trader in a branch of business which, of all others, requires the greatest care and vigilance."

Yesterday Mr. Lawrance, of the firm of Lawrance and Plews, applied to his honour to reconsider his judgment, and grounded his application upon the following statement from the trade assignees, who formerly opposed him :—

"TO MR. COMMISSIONER GOULBURN.

"We, the undersigned assignees of the Romford Bank, and creditors of the estate of Messrs. Thomas Johnson and Charles Mann, state that we withdraw any further opposition to your granting to Mr. Thomas Johnson, Sen., a certificate under the commission of bankruptcy issued against him in the month of June, 1844.

(Signed) R. H. GEORGE—J. COOPER—T. WOODFINE—J. MEESON."

Mr. Lawrance proceeded to observe, that he had likewise to draw his honour's attention to the memorial of Mr. Johnson himself, now an aged and infirm man.

The following is a copy of the memorial :—

"TO MR. COMMISSIONER GOULBURN.

"Honoured Sir,—The candid, considerate remarks you made upon some parts of my conduct when you delivered your opinion upon my case in the Court of Bankruptcy, and declined granting my certificate, as much as a warning to others as a punishment to myself, lead me to conclude that you would not be found unwilling to afford me a measure of your attention, after the lapse of three years, with a view of determining whether all the points which can be urged in extenuation or explanation of my conduct and accounts being publicly brought before you, you may not be able to rescind your resolution, and grant me my certificate. Through the whole of my lengthened career in business, and in all the public and private duties of my station in life, it was my supreme desire and effort to maintain the character of an honest man. This is my desire now; and at the age of eighty-two, the lease of my life expiring, and death approaching, I feel as if I could not die in peace without being vindicated from the reproach which the want of my certificate must necessarily occasion me. Besides, I cannot forget, nor ought I to conceal from you, that at the period when my misfortunes overwhelmed me, in the full consciousness of my integrity, whatever my failings or infirmities, I sought the aid of accountants and solicitors, whose accounts, by the pecuniary assistance promised me, might have been paid in full, had my certificate been granted me. The allowance I am most anxious to obtain for those and similar purposes. I confess, Sir, on the review of what has passed, that I had not the assistance (in my counting-house) that I needed, and it seems I depended too much on the assistance I had. I have no wish at my old age to appear as an accuser of others; but it is capable of the clearest proof that I had not the assistance from my partner which I ought to have had; that accounts were presented to me both in my Aldgate and banking concerns, as correct, which I admitted as such, but which I have since found characterised by serious omissions, or erroneous arrangements, and that, generously confiding in the amplitude of my resources, I took charge upon myself, or allowed to pass unnoticed, which ought to have been jointly borne. These things prove my partner's accounts (although he has received your honour's certificate) utterly erroneous, and at the same time they prove that things were charged to my account which ought not to have been borne exclusively by me.

"Of these things my assignees are so far convinced as that at length they have withdrawn their opposition, and testify it in a letter which I beg leave to present to you. Most of my creditors are also of the same mind, and are

anxious to see that I have granted me my certificate; nor can I persuade myself that when your honour looks a little more into all the peculiar facts of the case, and considers the length of time I have been under suspension, that you will not concur in the same desire. It has been asserted that my capital was a fictitious one in the Aldgate concern, and that I undertook the banking concern with next to nothing in actual possession. But my accountant has taken considerable pains to prove this assertion to be erroneous; and, accordingly, again it was asserted, that for the £10,355 drawn out of the Romford bank, the vouchers for them amounted to waste paper. This is, unhappily, almost true in the result, but not in the intention. The sums respectively drawn out were regularly paid into the bankers of the Aldgate concern, and were absorbed in the expenses connected with the carrying on of it, and not by any selfish, extravagant, or dishonest usages of my own. Each of these accounts can be distinctly traced out, nor can I, nor ought I, to conceal the fact, that though the two concerns were distinct, and the accounts of each intended to be kept separate, that I always looked to my interest in the concern at Aldgate to support or supply any deficiency, if necessary, at the banking concern at Romford. The amount of discount on bills and on sundry loans necessary for carrying on the concern in Aldgate (the whole burden of which fell on me as the father of it, my partner only buying and selling goods, receiving and paying money for these, never failing to draw out or keep himself his share of the profits) it has been found on investigation were never entered, as they ought to have been, in the cash-book, and these amount to £6,587 5s.; while other deficiencies unnoticed, of advantages which ought to be claimed by me, are proved, as by the account enclosed, to amount to £13,587 7s. It has been supposed that the Romford bank could pay no more than 1s. or 1s. 6d. in the pound, but it is capable of the most satisfactory proof that, but for the expenses, it could have paid 10s. in the pound. Sir, it is the grief of my heart, the deepest sorrow of my declining days, that after being engaged in business as a principal upwards of 50 years—after receiving the highest testimonies of confidence from private and public friends, and one of the most extensive business connections of the time—after holding the post of alderman of the City of London more than 11 years, and successively filling the high and responsible offices of sheriff and Lord Mayor with the highest assurances of approval, that any reverse in my affairs should have taken place; and above all, that any one should suffer pecuniary loss by me; but it is the common lot of humanity that when a man falls his degradation is proportioned to his previous exaltation, and he who might have expected the greatest kindness is treated with the greatest severity. It has been so with me. Had my creditors forborne the commission; had they allowed me time to call my friends together, to put all my affairs and property into the hands of trustees, and left it to them gradually and prudently to wind up, all the disastrous results that have been produced might have been avoided; a larger dividend must certainly have been paid, and instead of being an object of reproach, avoidance, and persecution, I should have been an object of respectful though painful sympathy, and might even if, as now, a pensioner upon the bounty of others, have ended my days in peace.

“Sir, I wish not to intrude; I ask your opinion; I claim your compassionate consideration privately, it may be confidentially; I am ready to enter into any explanation, to answer any inquiries, but I wish not again to have my case brought before the court, to be repulsed with increasing shame. If, upon more mature reflection, you think your decision can be reversed, only inform me, and necessary steps shall be taken for the accomplishment of that object; and with every apology for this claim upon your attention,

I remain, with the greatest respect,

Your Honour's most humble servant,

New Buildings, Charter House, Dec. 7.”

THOMAS JOHNSON.

Mr. Lawrance observed, that by his honour's sentence the bankrupt was prevented from engaging in any trade or business during his life. The sentence pressed severely upon the mind of Mr. Johnson, who was now an old man, and who had at one period filled the highest civic office in London. But there was something still more melancholy in the effect of his honour's sentence. It deprived the old man, now in a state of comparative indigence, of availing himself of the pension which the Court of Aldermen provided for such members of the corporation as were in need of it, provided they had conducted themselves through life as honest men and fair traders. The sentence of this Court stood between Mr. Johnson and this relief; and if it were only upon this ground alone, he would ask his honour to re-consider the case.

Commissioner.—Then you ask for a re-hearing.

Mr. Lawrance.—Just so, your honour. I have to remind you, that from your judgment there is no appeal, and I think this circumstance should operate strongly upon your honour's mind in acceding to my application. The refusal of a certificate is, as Mr. Commissioner Fonblanque remarked a few days ago, a sentence of mercantile excommunication for life.

The Commissioner.—But there is an appeal the other way; for I see on of the courts has been for several days engaged in an appeal by a creditor from my judgment in a case where I granted the certificate.

Mr. Lawrance.—I assure your honour that it is only under the peculiar and somewhat extraordinary circumstances of the present case that I ask your honour for a re-hearing.

The Commissioner.—You see there is great danger in making such a precedent.

Mr. Lawrance was aware of that, and nothing would have induced him to ask the Court to interfere but his sincere conviction that the case was of such a nature as took it out of the ordinary course.

The Commissioner said he had some difficulty upon the question of re-hearing a case long since decided.

Mr. Lawrance said it was competent for any Court to review its own judgments, and it was almost morally incumbent on a Court to do so where there was no appeal.

The Commissioner said he knew there might be cases where such a course was highly desirable. For the present he could only say, that when affidavits were duly made and filed of the several facts stated by Mr. Lawrance, he would give the whole of the circumstances the best consideration in his power.

Mr. Lawrance thanked his honour, whose decision upon the present occasion was as favourable as he could have expected.

Banking and Commercial Law.

THE LAW AND PRACTICE OF FOREIGN ATTACHMENT IN THE CITY OF LONDON.

AMONGST the many liabilities to which personal property is subject in this commercial country, and the many insecurities which attach to its mere possession, there is none so peculiar in its nature, or about which so little is understood even by experienced commercial lawyers, as the process denominated "*foreign attachment in the City of London*;" the process by which the creditor is enabled, without notice, on any emergency that may require it, to seize or attach property belonging to, or debts owing to, his debtor in the hands of strangers within the City of London.

Such a power in this era of speculative schemes and fleeting associations, which to day pompously obtrude themselves on the attention and invite the credit of the thrifty citizen, and to-morrow leave little save a name behind, offers a tempting inducement to creditors and claimants, whilst it imposes a considerable responsibility on bankers and others within the City, who are subject to the process.

We need, therefore, little apology for introducing the following observations on this rather obscure proceeding, to the attention of our readers, who either as claimants or holders of funds, may, any of them, be at a moment's notice required to act on it.

The tribunal from which this proceeding by foreign attachment usually if not invariably proceeds, is the very ancient Court, called the "Lord Mayor's Court of the City of London," the offices for which are in the Old Jewry. The practice in this court being confined to four, or indeed, at present to only three practitioners, it is often difficult, on the spur of the moment, to obtain correct information upon it: we deem it, therefore, not out of place, to state, by way of voucher for the authenticity of the present article, that it has been corrected by Mr. Pulling, the Barrister, whose work on the Laws, Customs, and Usages of London, we have so often had occasion to refer to in these pages.

The process of foreign attachment, and the peculiar practice of the City Courts, are very fully discussed in Mr. Pulling's work, and we shall, without entering into the minutiae there discussed, arrange our present observations under three heads, treating 1st.—Of the nature of the proceeding by foreign attachment and its operation between the original parties—Debtor and Creditor; 2nd.—Of its effect with respect to the *garnishee* or party holding the property seized; and 3rd.—The effect of the proceeding on third parties, and in the event of bankruptcy, &c.

The system of *foreign attachment*, or the creditors seizing, by way of pledge, the property of his fugitive debtor in the hands of third parties, is to be traced in the judicial institutions of many countries, under the names of *saisie arret*, arrestment, &c. It prevails in Scotland, in France, and other continental states, in Jersey, and by ancient custom in various towns in this country. It appears to have been early recognized as a peculiar privilege in the great commercial community of London, being expressly confirmed by a charter of Henry 1st to the citizens, declaring that "all debtors who should owe debts to the Citizens of London, should pay them in London, or else discharge them themselves that they owe none, but if they will not pay the same, neither come to clear themselves that they owe none, the Citizens of London to whom the debts shall be due, may take their goods in the City of London, of the borough or town of the County where he dwells that shall owe the debts." What the actual custom as to foreign attachment is, may be gathered from the Recorder of London's certificate in an old case:—"That if a plaint be affirmed in London before, &c., against any person, and it be returned *nihil*, if the plaintiff will surmise that another person *within the city* is a debtor to the defendant in any sum, he shall have *garnishment* against him to warn him to come in and answer whether he be indebted in the manner alleged by the other; and if he comes and does not deny the debt, it shall be attached in his hands, and after four defaults recorded on the part of the defendant, such person shall find new surety to the plaintiff for the said debt, and judgment shall be that the plaintiff shall have judgment against him, and that he shall be quit against the other after execution sued out by the plaintiff."

"As the original object of this process was to compel the defendant's appearance, and to give bail to the action, the attachment is at an end immediately that is done. In practice, however, the real defendant is not actually served with any process or notice at all; but as a necessary foundation for the

attachment, the plaintiff makes an affidavit of his debt; the names of the parties, with a memorandum of the attachment, are then entered in a book, called the *action book*, preserved in the office of the court, and an attachment paper is prepared by the plaintiff's attorney, and notice thereof served upon the person in possession of the property, who is thenceforward denominated the *garnishee*, or person warned. The notice is, that all the goods, moneys, and effects of the defendant, then in the *garnishee's* possession, or which may thereafter come to his possession, or the debt or debts due from him to the defendant, are attached to answer the plaintiff's demand, and that he (the *garnishee*) is not to part with such goods, or pay over such debts, without licence of the court. No precept or process is even issued against the defendant, nor any actual default made; nor are there any returns of *nihil* or defaults, or otherwise actually made to any process, although there are entries thereof on the record, the omission of which would be fatal. The serjeant-at-mace serves the attachment on the *garnishee*, and makes an entry thereof in the Action Book, and thenceforward the proceedings are against the *garnishee*, who either appears and disputes the attachment, or suffers the property to be taken by default. The record is made up before the *garnishee* pleads, and contains either an entry of his appearance or his default. If the former, it is handed to the *garnishee's* attorney to plead to. He cannot dispute the validity of the plaintiff's demand against the defendant, but only his own liability to the attachment as by a denial of any debt owing from himself, or of the defendant's title to the property attached, or by setting up a *lien*. Upon this a record is made up, stating the prayer of process, the summons of the defendant, and the returns of *nihil* and *non est inventus*, and the defendant's default of appearance. The validity of the attachment is then tried by a jury before the recorder; the registrar marks the verdict, and the successful party is entitled to sign judgment on the day following that of the trial. If the plaintiffs succeed, he must find two substantial sureties to restore the property attached, in case the real defendant should appear within a year and a day, and disprove the debt. If the subject of the attachment be money, or a liquidated debt, execution may then issue immediately against the *garnishee*; but if the property consist of goods, a precept issues to one of the serjeants-at-mace, to cause an appraisement to be made by two freemen, sworn for that purpose; which appraisement, with an inventory of the goods annexed, is afterwards returned into court: or if the *garnishee* has removed the goods, a return is made of that fact, and a jury is impanelled to assess their value. Final judgment is then signed against the *garnishee*."—*Pulling's Laws and Usages of London*, pp. 188, 189.

We see, therefore, that the proceeding by foreign attachment is, in legal intendment but a means of compelling the owner of the goods, &c., to appear in court in defence of an action pending against him, though by the established course of practice, the only notice of such action afforded him is the actual laying of the attachment. In fact, it is rarely the case at the present day, that the proceeding by foreign attachment is resorted to with a view to compel the appearance of the defendant, and a subsequent prosecution of the action against him, the real object generally being to obtain a speedy satisfaction for a desperate debt by securing the possession of available funds. The legal notion of the proceeding as defined by the custom already set out, is, however, so far observed, that even when a creditor has funds belonging to his debtor in his own or his partner's possession, he is precluded from attaching it. (*Nouell v. Hallet*, 4 Barnewall and Alderson's Reports, p. 646.) And though it is immaterial where the debt sued for was contracted, or where the original parties reside, the funds attached, or the fundholder, must be within the city. (*Laws, &c.*, of London, p. 189, note m.)

The property attachable consists, we have already seen, not only of goods or money, but debts due within the city to the defendant or original debtor;

such as funds at a bankers, &c., (which, in fact, form the most frequent subjects of this process,) but inasmuch as the City Courts are inferior courts, the process will not avail after proceedings have been taken against the *garnishee* or fundholder in the Superior Courts for the amount; much less will it avail against money in the hands of the crown, or in the custody of the law, &c., (Ibid. p. 190, note *t*); and there are particular kinds of stock which are expressly exempted by statute from this process; such as the public funds, dock and bank stock, East India Dock stock, &c. The bankrupt acts also expressly provide, that no debt owing to a bankrupt shall be attached after the bankruptcy, as the debt of the bankrupt, by any person, according to the custom of London.—(6 Geo. IV. c. 16, s. 63.)

Property or funds, having been once regularly attached by the process we are treating of, can only be released by the defendant or principal debtor coming in and giving bail to the plaintiff, which he may do at any time before satisfaction is entered of record, or indeed within a year and a day afterwards. But notwithstanding the abolition of the system of bail on imprisonment for debt by the statute 1 & 2 Vict. c. 110, good and substantial bail is still required of a defendant in discharge of the process we are speaking of. (*Chamberlaine v. Green*, 1 Dowling's New Practice Reports, p. 649.) The plaintiff or creditor, even on receiving the amount of the property attached, is bound by the custom to find two substantial sureties to restore the property attached, in case the real defendant should appear within a year and a day to disprove the debt. (Laws, &c., of London, p. 191.) But in most cases the process previously terminates by an amicable settlement, or by the *garnishee*, who is generally the banker, factor, or broker of the party, himself finding bail for the defendant's appearance.

The second light in which it is necessary to view the process by foreign attachment, is in so far as it affects the *garnishee* or party holding the funds, or owing the debt subjected to the attachment. The *garnishee* is bound at his peril to obey the attachment; and, indeed, if he has no funds in hand, or be not indebted in the mode alleged, to appear and disprove the claim made against him, or in default he may have judgment for the amount required personally against himself. (*Bohn's privilegia*, London, p. 260.) But he must not, on the other hand, do more than scrupulously obey the process, or he will be liable to pay the amount twice over. Thus, where parties on whom a foreign attachment was served, paid over the money on the production by the regular officer of the certificate of the judgment of attachment, but without the execution being actually issued, it was held that they were not discharged, the payment not being *compulsory*. (*Wetter v. Rucher*, 4 Moore, 172; 1 Broderip and Bingham, 491.)

The *garnishee*, or party served with the attachment, is of course at liberty to discharge it by disproving the interest of the defendant or original debtor therein, or by proving that he has legally assigned that interest. (*Lewis v. Hallis*, Laws, &c. of London, 190 note *t*.); or that the property is merely *in transitu* to the defendant, who has not paid for it (*Smith v. Goss*, 1 Campbell's Reports, 282); or that he, the *garnishee*, has an interest in the goods by way of lien, &c., which must be first discharged (*Nathan v. Giles*, 5 Taunton's Reports, 558); or that proceedings have been already taken against him, the *garnishee*, in the Superior Courts, to recover the property attached (*Pulling*, 190, note *t*.); or that the owner has become bankrupt, and the interest thus become vested in his assignees. (6 Geo. 4, c. 16, s. 63.)

Should, however, none of these circumstances have arisen, and the proceedings against the *garnishee* be regularly executed, the latter is, *de facto*, discharged from liability to the original owner, the defendant in the proceedings being formally released by the terms of the judgment in attachment, and the proceedings may afterwards be pleaded to any action brought against him

for the amount or value of the property attached (see the case of *Crosby v. Hetherington*, 5 Scott's New Reports, p. 637.) It remains for us to describe the effect of the proceeding by foreign attachment on the rights and interests of those who are not parties to the proceeding, and also in the case of bankruptcy or insolvency.

The adoption by a creditor of the summary proceeding by foreign attachment at once gives him a most advantageous priority over other claimants, and hence, to prevent fraud, it is provided "that if any trader shall procure his goods, money, or chattels to be attached, with intent to defeat or delay his creditors, he shall be deemed to have committed an act of bankruptcy."—(6 Geo. 4, c. 16, s. 3.)

The old bankrupt act, the 21st Jac. 1, c. 19, s. 9, declared that all creditors having made attachments in London, &c., whereof there is no execution &c. served and executed before the party shall become bankrupt, &c., shall not be relieved upon any such attachment, &c., for more than a rateable part of their debts with the other creditors, &c.; and under this act it was held that money recovered under an attachment against the property of a trader who had committed a secret act of bankruptcy was liable to be refunded to the assignees. (*Hovil v. Browning*, 7 East's Reports, 154.) The clause is re-enacted by the 6 Geo. 4, c. 16, s. 10. But as the 2 & 3 Vict., c. 29, protects all executions and attachments *bona fide* executed and levied *before the date and issuing of the fiat*, provided the party levying the same had no notice of any prior act of bankruptcy being committed, this proceeding is always a most desirable one, previous to an actual bankruptcy taking place, except where the proceeding assumes the shape of a fraudulent preference (2 & 3 Vict., c. 290, 1); for where it appears that an attachment has been legally executed previous to a bankruptcy, the creditor is both entitled to hold the property seized, and to prove for the residue. (*Ex parte Dobree*, 8 Vesey's Reports, 82.)

Besides, however, the actual case of bankruptcy, the abuse of the process by foreign attachment can be restrained; and the Court of Chancery, and, indeed, the Mayor's Court, in the character of a Court of Equity, will interfere by injunction to prevent it, wherever it has been resorted to in defiance of good faith, in fraud, or in violation of the clear rights of third parties. (*Barker v. Goodair*, 11 Vesey's Reports, p. 78.)

The circumstances under which the Court of Chancery will interfere to prevent the process, are exemplified in the following case:—

Messrs. Cotesworth advanced several sums of money to S. M. and W., on the security of shipments coming to them as return remittances from their correspondent at Hayti, which shipments they directed the Haytian house to consign to themselves. The Haytian house was informed of the contracts, and promised Messrs. Cotesworth to make the remittances accordingly. In June, 1842, a cargo of goods was prepared by the Haytian house as return remittances; and they directed Messrs. Cotesworth to insure a part of the cargo on account of S., and informed W. that a part of the cargo was intended for him, which W. communicated to Messrs. Cotesworth. The resident partner in the Haytian house died in June, 1842, after the cargo had been shipped, but before it was consigned; and his administratrix consigned the cargo to B. in London, under whose orders it was sold, and by whom the proceeds were received in December, 1842. S. and Co., creditors of the Haytian house, on the 29th August, 1842, attached by foreign attachment, according to the custom of London, the goods of the Haytian house in B.'s hands. By a letter, dated the 7th September, 1842, the surviving partner in the Haytian house directed B. to hold the cargo for S. M. and W. in certain parts. On a bill and motion to restrain the proceedings of S. and Co. against B., under the attachment, it was held by the Court of Chancery that the right of Messrs. Cotesworth, if any, was an equitable and not a legal right; that they were entitled to the aid of the court in the trial of that right, and that the proceed-

ings in the Lord Mayor's Court should be restrained by injunction. (*Colesworth v Stephens*, 4 Hare's Chancery Reports, p. 185.)

A difference of opinion is said to prevail in the City with respect to the utility of the proceeding by foreign attachment, one class of parties contending for the importance in a commercial community for the creditor to be readily able to appropriate the funds of his absent debtor, particularly in the case of foreigners and parties without a genuine "local habitation and a name;" whilst it is urged, on the other hand, that the mere apprehension of the process deters foreign merchants from consigning cargoes to London (2nd Report of the Municipal Corporation Commissioners, London, p. 126.)

The prevalence of the system of *saisie arrêt*, and arrestment, in so many commercial cities in Europe, we think affords a sufficient answer to the objection appearing to be urged against the prevalence of the system of foreign attachment in the City of London. We think, however, some very advantageous alterations might be introduced to render the process less a means of trickery than a salutary remedy. Under the present law, if a merchant keep his cash with a banker in the city, it is liable to the process; but if the banker dwell a few yards beyond the limits of the city, no attachment can be made of his balance, unless, indeed, the plaintiff should prepare himself with process, and be fortunate enough to serve it upon one of the partners when accidentally within the jurisdiction; in which case, as he is legally supposed to carry with him all the debts and liabilities of the house to which he belongs, the balance of any customer of the firm might be attached. This manoeuvre is practically oftener resorted to in the case of the *west end Bankers* than it would at first sight be supposed.

On similarly unreasonable grounds, goods in a warehouse in Thames-street may be attached; but if lying in a lighter on the river Thames, within a yard of the house, they are exempt. When the Act of Parliament was applied for to authorize the construction of the London Docks, it was proposed by the Corporation of London to extend the jurisdiction of the City Courts, and consequently the application of foreign attachment, to the site of the projected Docks. But this proposal was successfully resisted by the projectors, on the ground that the liability to this process might deter merchants, and particularly foreigners, from using the Docks, and therefore endanger the success of the undertaking.

By a recent decision of the Court of Queen's Bench (*Reg. v. Mayor of London*, reported in 16 Law Journal Reports, p. 185), all attorneys and solicitors are declared legally qualified to practise in the Lord Mayor's Court. There is an appeal pending from this decision, which it is probable will be determined before the present year is out. Unless the judgment of the Court of Queen's Bench be reversed, the probable result will be to most materially increase the practice of resorting to the process by foreign attachment, and we trust our readers will be able to gather from our short description of this very peculiar proceeding, sufficient information to enable them to secure justice, and to avoid litigation.

Legal Miscellany.

NOTE.—Under this head we shall insert brief reports of legal decisions affecting Bankers and Merchants, as they occur from time to time. We shall feel obliged by having our attention called to any case which may come under the notice of our readers.

BILL SWINDLING.

We regret to have to record another case of successful Bill Swindling. It will be seen from the following report, how the law can be made instrumental in assisting in the perpetration of fraud. We much regret to find the Chief

Baron Pollock, on this, as on a former occasion, admitting the undoubted fraud which had been practised on the defendant, and yet summing up so decidedly against him on a mere legal technicality. We need not comment on the case, however, because the injustice which has been inflicted on the victim of the swindlers will be apparent to all who read it.

LEWIS v. SIMPSON, *Court of Exchequer, Friday, 3rd December, 1847*, (Nisi Prius Sittings in Middlesex, before the Lord Chief Baron, and common juries.)

This was an action on a bill of exchange for £100, dated June 11, 1847, at three months, drawn by one J. Sydserff upon and accepted by the defendant, and endorsed by Sydserff to one R. Shires, and by Shires to the plaintiff. The defendant's pleas alleged fraud and covin, and denied the endorsement by Sydserff. This endorsement was proved by a person in the service of Lewis Levi, the well known sheriffs' officer, and who is brother to the plaintiff, an attorney, in Grosvenor-street, Bond-street. This person swore that in June last he went to Peel's Coffee-house by appointment, and there saw a person who called himself Mr. Sydserff, endorse the bill. He had never seen him before or since, and knew nothing of him, or his hand-writing, except what he saw on that occasion.

This was the plaintiff's case.

Mr. Dowdeswell, in the absence of Mr. Chambers, in opening the case for the defence, said he should have to lay bare before the jury one of the grossest frauds that had ever been perpetrated even in this metropolis. The defendant was a clergyman of the Established Church, residing near Bristol, and seeing an advertisement in the *Record* newspaper in the following terms:—

“Money.—The advertiser, the son of a Wesleyan minister, has a surplus capital to advance, in one or more sums, upon landed and other available property: likewise, the responsible personal security of beneficed clergymen, Dissenting ministers, and others of respectability, will not be objected to—Apply in the first instance, by letter only, with particulars, in respect of which inviolable confidence will be observed, addressed Mr. Sydserff, care of Mr. Graves, 7, Belvedere-road, Lambeth, London.”

wrote accordingly to Mr. Sydserff for the loan of £200, and received an answer, requiring a statement of his circumstances. This he gave, and offered bills at 12 months. To this letter he received the following answer:—

“7, Belvedere-road, Lambeth, London, June 9, 1847.

“Sir.—I have the honour to acknowledge the receipt of yours of the 7th instant, and to add that, provided you have no objection to the interest I charge, which is at the rate of 5 per cent., I will make you an advance of £200; but as you only offer personal security, I could not do so upon a draft having to run for so long a period as twelve-months at one time, from the fact that life is at all times very uncertain, and although I trust and pray it may please our Heavenly Father to still spare your life for many years to come, yet should the Almighty see fit to call you home to himself shortly after, or when my security may still have a long time to run before it became due, my position in that case would not be so favourable with regard to any claim I might have upon your estate or effects as it would be if your draft or drafts were within a short time of becoming due, in the event of your decease. Likewise the interest on the whole of the capital I invest must be paid at least every half-year. Therefore, taking these circumstances into consideration, and upon mature reflection, I now propose to lend you £200 on your two drafts for £100 each, at three and six months, giving you a written agreement, should your life be spared, to renew the draft at three months' three times, and the one at six months' date once, upon receipt of the interest half-yearly; thus complying with the request mentioned in your first—viz., giving you the use of the principal for 12 months.

If this proposition (which I have endeavoured to make upon strictly honest and just principles) meet with your approbation, and my hearing from you to that effect, I will, (in case you may require money immediately) draw upon you and forward the drafts, upon return of post, for your signature, and as I must put the address where you are residing on the drafts, I shall feel obliged by you giving me that address in your next, provided you accept of my offer, which I have been induced to make so readily, both from your honourable station in society, and owing to the liberal income you are in possession of; relying that the only liability you have of any consequence is the £200 mentioned in your last. Thanking you for your Christian kindness in enclosing me one of your little pamphlets,

"I now remain, Sir,

"Yours very respectfully.

(Signed)

"J. SYDSEFF.

"To the Rev. R. Simpson."

After the receipt of this letter some further correspondence took place, and the defendant was weak enough to send up to town two bills—one at three and the other at six months—for £100 each. In a few days he received a letter from Sydserff, not enclosing the money for the bills, but stating that his "principal" would write a letter to him (the defendant), requiring his acknowledgement of his signature to the acceptances, and the next day he (the defendant) received a letter from the plaintiff desiring to know if he had accepted the bills, to which he replied that he had. That was on the 14th of June. On the 15th Sydserff wrote again to the defendant, saying that in his hurry he had forwarded two 4s. 6d. instead of 5s. stamps, and that the bills which had been accepted were consequently valueless, and enclosing two proper (5s.) stamps, and begging of the defendant to fill them up at once and forward them, and the money should be immediately remitted to him. The defendant, if he had consulted any legal gentleman, might have easily known that this must have been a fraud, as there was no doubt that the 4s. 6d. stamp was sufficient; but instead of consulting any one he at once fell into the snare, accepted the two new bills, and forwarded them to Sydserff, with an urgent appeal for a remittance. To this he got no answer. On the 19th he again wrote, demanding the notes or the money. On that day Sydserff wrote to him, saying that illness in his family had called him from town during the past two days, and that he would attend to defendant's business on Monday, and expressing regret that his writing "this letter will intrude upon your ministerial duties of the Sabbath." On the 21st the defendant wrote again, demanding money or drafts, and expressing surprise why the two acceptances on wrong stamps were not returned; to which Sydserff replied, requiring to know "if you really prefer having the drafts returned in place of the money?" In a short time the defendant, to his amazement, found that he had got into the hands of a set of sharpers, and that his four bills were hawked about for discount. He then inserted an advertisement in one of the morning papers, warning the public against discounting any of the bills, and denouncing Sydserff. This person was a well-known character, and had been lately convicted at the Old Bailey, of fraud. It would be proved that in June, when he inserted the advertisement in the *Record* newspaper, he rented an unfurnished room in the Belvedere-road, and left in arrear. In order to evade a prosecution in connexion with this transaction, he did not write the letters in question, or the draughts or endorsements of the bills, but got all this done by one of his confederates, named Tucker, so that if it should become necessary, he might be able to show that he was not the drawer or endorser. On the plea, therefore, that Sydserff did not endorse, the defendant confidently expected a verdict. On the plea of fraud and covin it would be proved that Shires, to whom the plaintiff, in an affidavit on this matter, had sworn that he gave £183 for the two bills on the 11th June, was living from May to September in very

poor and straightened circumstances in Lambeth, and that the plaintiff had said to another person that he knew nothing of him till he presented these bills. The defendant had applied to the plaintiff for Shires's address, but was not able to get it. Was it likely that a knowing attorney would advance £183 to a stranger on these bills, or that he had not some knowledge of the fraud by which they were obtained from the defendant.

John Graves proved that he lived at 7, Belvedere-road, Lambeth. That a person, calling himself Sydserff, took in June an unfurnished room in his house, and never furnished it or saw it more than once; but his letters were directed there, and another person called for them. The letters were brought by the general postman. Half a dozen were brought which were not taken away. These were produced in court, and appeared to have come in July, 1846.

Cornelius Mahoney, clerk to a Mr. Phelp, an attorney.—Knew Sydserff for five or six years. Did not know what he was. He lived once in the Kingaland-road. Saw him last about five weeks ago in Fleet-street. Knew his handwriting. The drawing or endorsement on the bill, produced were not in his handwriting. Sydserff was in prison a short time since.

The Lord Chief Baron here interfered, and said that the defendant had by accepting the bill admitted it to have been drawn by Sydserff. By whomsoever the bill was drawn, the defendant, by accepting, admitted that whoever drew it had a right to draw it.

Some discussion ensued, at the end of which the examination was resumed.

Witness.—Knew Sydserff to have been in the Queen's Prison about a twelve-month. Did not know where he had been since he left the Queen's Prison.

Eli Reed.—Knew a person named Sydserff; also a person named Shires; also a person named Tucker. The endorsement on this bill is not in the handwriting of Sydserff; it is like Tucker's handwriting. Sydserff lived three or four years at 3, Crescent-cottages, Hackney-road. He at another time kept the Ship Tavern, Islington. Sydserff's name was John. Tucker was an acquaintance of Sydserff and Shires.

The original of the advertisement in the *Record* newspaper was then put into the witness's hands, who proved that it was in the handwriting of Sydserff.

James Marsland, of 4, Winchester-place, near the Queen's Prison. Knew Shires; Shire's wife took a room in his house some years back, and after a time left, being £7 in arrears.

Mrs. Ettershank lived in the Lambeth-road. Shires came to her house with his family in March, and remained till September, and he was in very needy circumstances. It was with difficulty she got the rent.

Frederick John Tucker, an attorney, proved that he served a notice in July on the plaintiff; that was with respect to another clergyman, the Rev. Patrick Fenn. The notice was dated the 3d July, 1846, and was to the effect that two bills of exchange, accepted by Mr. Fenn, were obtained by fraud from him, and warned the plaintiff against discounting them. The plaintiff had written to Mr. Fenn, to inquire whether he was the acceptor of those bills. It was in consequence of that the notice was served. The plaintiff, in the course of a conversation with the witness, then said that he had already discounted a bill of the defendant's for one Shires. That Shires was the person who brought him Fenn's bills, and that he believed that for a small sum Fenn's bills could be got back.

An affidavit, made on the 17th of September, 1847, by the plaintiff, before Mr. Baron Platt, was then put in. In this document the plaintiff stated that Shires was a total stranger to him before he discounted the defendant's acceptance. That on his offering the bill of the defendant he (the plaintiff) wrote to the defendant, asking him whether the acceptance was his.

Mr. Phelps, an attorney, knew Sydserff, who was lately in prison. The endorsement on the bill in question was not in his handwriting. The several letters written to the defendant in Sydserff's name were not in his handwriting. They were admitted to be in the same handwriting as the endorsement on the bill.

They were then tendered in evidence in support of the charge of fraud, but were rejected by the Lord Chief Baron as not being sufficiently connected with the plaintiff, or relevant to the issues in the case.

On the close of the case for the defendant,

Mr. M. Chambers submitted that he had established such a case of suspicion as to render it necessary for the plaintiff to give evidence in proof of the consideration which he had paid.

The Lord Chief Baron said that was a question for the consideration of the plaintiff's counsel.

No other evidence being offered,

The Lord Chief Baron, in summing up the case, told the jury that the defendant, by accepting the bill, had admitted the right of the person, whoever he was, or whatever name he bore, to draw it, and to endorse it; and that the evidence offered by the defendant did not fix the plaintiff with any knowledge of the fraud practised upon the defendant.

The jury, after a short consultation, found a verdict for the plaintiff.

Communications

To the Editor of the Bankers' Magazine.

BANK FAILURES—QUERIES AS TO CHECKS.

SIR,—In consequence of Knapp's failure (at Abingdon) several questions have arisen and have been referred to me, and though I have but little doubt in my own mind, I shall be very glad of your opinion in your next number.

First Case.—A sends to Williams and Co. his power of attorney, through Knapp's, to receive his dividends; Williams receives them on Thursday and passes them to Knapp's credit for A to receive them the same day; the advice does not reach Abingdon till after Knapp's failure, whose business terminated on Thursday,—in point of fact before the advice left London.

Query. Has Williams the power to place the amount to Knapp's credit against his overdraft? or is it the property of A? or assets for Knapp's creditors?

Second Case.—A pays Z a check on Knapp's on Thursday, 10 A.M. both are residents in Abingdon; Z takes the check, passes Knapp's door to his residence, returns with the check and pays it into the Berks Union at 2 P.M. who hold it over—do not exchange that day—Knapp fails on the day following.

Query. Who is the loser of the check?

Third Case.—A check drawn by C on County Gloucester Bank, Swindon, paid on Thursday at Wantage to Mr. W., who the same day paid it in to Knapp's to his (W.'s) credit; Knapp closed on the same day.

Query. Does the check become assets of Knapp's, or had Knapp any right to advise it for payment, or could Williams receive it to the credit of Knapp's, when by the same post they received notice of stoppage, and were no longer in a position to pay for them as agents?

Fourth Case.—The — Bank receives £500 in checks for collection from Messrs. Brodie and Co., with orders to pay over the value to their London

Agents. The checks are duly received, but before being paid over to the London Agents, Messrs. Brodie and Co.'s stoppage is made known to me.

Query, For whom must they hold the money? For the Agents—for the Assignees,—or for the Payers of the Checks?

Your's obediently,

H. STRONG, Manager of Oxford Bank.

[1. This question involves some very nice points, and after a hasty search, we are not able to find an authority. Perhaps we may find one before the publication of the next number of the Magazine. Upon the best consideration we can give, it seems to us that Williams & Co. must be treated as the agents of Knapp, and not of the party giving the power, and that the former have a right to retain the dividends. We are not free from doubt in giving this opinion.

2. It is quite clear that the holder of the cheque was not bound to present it for payment on the same day that he received it, the law allowing him the whole of the following day for that purpose. (*Moule v. Brown*, 5, Scott's Reports, 694, and many other cases.) The drawer of the cheque in question must therefore bear the loss, assuming that he was the party who paid it to Z.

3. We think the cheque remains the property of W. Bills remitted to a banker to be collected, are considered as still in the possession of the principal, and must be returned to him in the event of the banker's bankruptcy. See *Byles on Bills*, p. 363.

4. We think that the Bank must, in the absence of any notice from the payees of the cheques, hold the money for the assignees. A payment to the agents would be improper, and the payees of the cheques may have parted with them under circumstances which would leave them no remedy.—Ed. B. M.]

SIR,—Since writing to you last, another question has arisen.—Mr. T. pays in Oxford a check for £700 on Knapp on Saturday morning. The distance between Oxford and Abingdon is six miles. The payment is made to Mr. W., who pays into Parson's bank, Oxford, the same day. They forward it to Knapp on Monday, and advise Coultts to receive it on their account. Knapp advises it on Wednesday for Williams and Deacon to pay it, who fail to do so on Thursday. On Friday Knapps close; Williams received money to Knapp's credit all Thursday.

Query, who is the loser of this check?

Yours, &c.

[It appears clear that the drawer of the cheque is discharged. We give the following note of a case which may be found useful in elucidating the remaining points.

Customers' draw cheques on their bankers, with whom their accounts are already overdrawn, and pay away the cheques which come to the hands of other bankers. The second bankers remit to the first the cheques in a printed circular, desiring the amount of them to be paid to the London correspondents of the second bankers. Notwithstanding this circular, the custom between the bankers is, to pay one another's cheques, so far as circumstances permit, by remittance of notes of the bankers sending the cheques, directly to those bankers, the understanding being, however, that the cheques should be paid on the day on which they are received, or the day following, either by such remittances, or by remittances according to the directions of the circular. The first bankers give the second credit in their books for the amount of the cheques, but become bankrupt three days after receiving them, and without having made any payment or remittance in respect of them, knowing at the time of receiving the cheques that bankruptcy was inevitable. The assignees

obtain payment from the customers of the full amount of the cheques. *Held*, that the second bankers were entitled to payment in full of the same amount out of the bankrupt's estate. *Ex parte Cole in re Wise*, 3 Montague's Reports, D. and De G. 189.—ED. B. M.]

BANKER'S BOOKS—THE DAY BOOK.

SIR,—You will oblige the writer by having the goodness to insert in your next number the following query; a solution to which by any of the correspondents of the Magazine will be very desirable.

Upon what principle may the day-book of a banking house be arranged, so as to afford a complete cheque on any fraudulent entries being made either in the current account, or general ledger, without the labour and trouble of comparing the vouchers?

I am, Sir, &c.,

A BANK OFFICER.

LIABILITY FOR MODE OF MAKING REMITTANCES.

SIR,—I shall feel obliged for your opinion on the following case, in your next number of the Bankers' Magazine.

I am, Sir, &c.,

A MANAGER OF A JOINT STOCK BANK
IN THE MIDLAND COUNTIES,
AND A SUBSCRIBER.

December 6th, 1847.

A, a banker, remits a local note (not made payable in London) for £5, to B, a banker, and requests that the amount may be paid to A's London agent. A, on the contrary, makes the payment by remittance through the post, and sends under two covers the sinister halves. One half reaches its destination, and the other is lost.

Query,—supposing both halves to have been lost, and that A had no means of recovering the lost note, would A or B be the sufferer in the transaction?

B argues, that the payment by remittance is a good and legal one, and cites the following from Chitty (9th Edition, p. 237) in support of his opinion:—"When a creditor directs his debtor to remit him *by post* the money due to him by a bill of exchange, cash, note, &c., or *where it is the usual way of paying such debt*, if the bill be lost, the debtor will be discharged.

A is of opinion that B is not discharged from the debt, he (A) having directed B to pay by transfer in London, which, A contends, is the usual way for bankers to make their payments.

[If A had requested returns for his remittance "in the usual way," B would be relieved from liability if he sent the remittance by post,—assuming that to be the usual method of making payments of the kind referred to. But as B was expressly desired to pay the amount "to A's London agent," his neglecting to do so, under the circumstances above stated, would, we think, leave him liable for any loss occasioned by his neglect of the instructions given. He might have declined to act in the matter altogether; but if he undertook to send cash for the notes, he should have done so in the way directed.—ED. B. M.]

ON THE CONTROL OF A BANKER'S ISSUES.

SIR,—Your correspondent "R" calls my attention, in your December number, to two circumstances, which he thinks will tend to alter the opinion I expressed in a short paper you inserted in October. The first point alluded to was the very strong statement made by the private bankers, who were put forward by the general body to give evidence before the committee, that the issues of notes were not within their control, that they depended not on the volition of the bankers, but on the requirements of trade, and that high prices demanded and *must have* increased issues, &c., &c. Sir R. Peel evidently

thought otherwise, and that it was necessary to place some limit on the issues of paper; and that, in case it should be found that the country required a further amount of circulating medium, *gold* must be provided.

My opinion was, that the year 1847 has proved that it *was* possible for the deficiency to be thus supplied, and I think your correspondent "R" corroborates me: and he goes further, and proves by the table he gives, that under the Act of 1844, bankers can not only extend their business, but increase their profits; an admission very valuable for those who are in favour of the bill.

There can be little doubt that if the act of 1844 had not been in operation in '46 and '47, the great demand for money would have called forth a great increase of issues, and would thereby have caused the outward flood of gold to continue without restraint, because the high rate of interest which was at last attained, and which was the principal cause of the rapid reflux, could not have been reached, had a cheap substitute for gold been permissible in the country. And this leads me into one of the depths of the science, and the second point to which your correspondent refers; viz., the effects of an increased circulation of paper on the exchanges.

It is a subject I have considered a good deal, and I believe it to be quite susceptible of clear proof, that an increase of paper circulation *has* a tendency to render the exchanges adverse at times when they are favourable, and still more so when they are already against the country. But it would take a very long article or series of articles to go at large into this question. I shall be happy to discuss it with "R" whenever your pages shall be unoccupied with more useful matter, if, at the same time, I shall have sufficient leisure.

The point of the currency being *convertible* or *inconvertible*, to which "R" more especially refers, is one only of *degree*; the injurious tendency will be greater if the currency be inconvertible; as was the case in Ireland in 1804. But it will exist even when the paper is payable in gold on demand, but unlimited in amount.

A. S.

[As we differ in opinion on some points with our respected correspondent, and as the subject to which he refers is of great importance at this juncture in banking affairs, we shall be happy to make room for a contribution from him on the matter to which he refers. The reply of "R" to his former letter was unfortunately omitted to be inserted immediately on its receipt; but a "proof" of his letter having been sent to some of the city writers of the press, occasioned a discussion in the papers, which our readers will probably have noticed.

We shall be glad to receive an article, or a short communication, from both "R" and "A. S.", as they are well qualified from their banking experience to throw a light upon the subject in dispute; and we may take the opportunity of reminding all our readers, that at the present time it is of great importance to the banking interest that they should publish any facts which they consider likely to be useful to the cause of sound banking.—B. M. Ed.]

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—Ed. B.M.]

BANK OF ENGLAND.

A Quarterly General Court of the Proprietors of Stock in the Corporation, was held, pursuant to the terms of the Charter of the Bank of England, on the 16th December ult.

At twelve o'clock, the Governor, Deputy-Governor, and a portion of the Court of Directors entered the Court Room, and the secretary read the minutes of the last half-yearly meeting, which was held to consider of a dividend, and at which the usual vote, as recommended by the Court of Proprietors, was adopted. No other business offering, the meeting, on the question, was declared to be adjourned.

There was an expectation entertained by a few of the proprietors, that questions might be put as to the parties to be nominated to fill up vacancies that have occurred in the board of directors, but not a word was said upon the subject. This is not, as customarily considered, a discussion court.

NORTH WESTERN BANK OF INDIA.

Statement of the Affairs of the North Western Bank of India on the 30th June, 1847 :—

LIABILITIES.				Rs.	a.	p.
To paid up capital .. .. .	..	..	..	34,22,550	0	0
Deposits and other securities .. ..	..	..	..	10,62,187	8	5
Reserve fund .. .. .	..	..	..	1,98,702	3	9
Suspense account (Bills in transit) .. ..	..	..	..	5,471	7	8
Deposits for new stock .. .. .	..	..	..	21,775	4	8
Profit and loss .. .. .	..	..	..	2,18,517	1	1
Total .. .. .	..	..	..	Rs. 49,29,203	9	7

ASSETS.				Rs.	a.	p.
By Bills discounted .. .. .	..	..	..	1,05,190	8	8
Government paper .. .. .	..	..	..	1,54,669	14	8
Loans and Credits on security .. ..	..	..	..	30,11,509	1	3
Balance due by branches .. .. .	..	..	..	12,97,531	1	11
Balance due by other banks .. .. .	..	..	..	79,245	2	4
Dead stock .. .. .	..	..	..	15,667	2	0
Cash and Bills on hand .. .. .	..	..	..	2,65,390	11	2
Total .. .. .	..	..	..	Rs. 49,29,203	9	7

ABSTRACT OF PROFIT AND LOSS ACCOUNT.

To Six Month's Dividend at 12 per cent. per annum	1,84,485	4	0
Amount carried to Reserve Fund	1,297	12	3
Balance carried to Profit and Loss	32,734	0	10
Total	2,18,517	1	1
By Net Profits of the Half-year	2,18,517	1	1
Total	Rs. 2,18,517	1	1

Errors excepted.

F. WHITEHEAD, Accountant.
FRED. ANGELO, Secretary.

N. W. Bank of India, Meerut, 5th August, 1847.

The report of the directors stated that :—

1st. The Directors have much pleasure in being able to lay before the Proprietors the Half-yearly accounts ending the 30th June, exhibiting a net Profit on the Half year's transactions of Rs. 2,18,517-1-1. This will admit of a dividend on the paid up capital of Rs. 14-3-5 per cent. per annum.

2nd. During the half-year, the Directors have, by the sale of the reserve stock, added Rs. 41,272-2-11 to the reserve fund, increasing that fund to Rs. 1,98,702-3-9; and have the pleasure to report the sale of the whole of the new stock allotted in the first increase, and that parties are registered for a large proportion of the second. By the sale of this stock, the Bank has added 44 new shareholders to its list.

3rd. The directors recommend that a dividend at the rate of 12 per cent. per annum be declared; that the reserve fund be made up to two Lacs of Rupees, by transfer of Rs. 1,297-12-3 to that fund, the fund being now invested in government paper; and that the balance Rs. 32,734-0-10 be carried to profit and loss account.

4th. The directors are happy to report that the Lahore agency is working very satisfactorily.

The directors take this opportunity of re-publishing the rules of the second increase for general information:—

1st. Holders of stock on the 30th of June will be entitled to one share in every 14 held by them on that date.

2nd. They can purchase any number of fractions to complete a share.

3rd. The reserve shares will at present be sold at a premium of Rs. 100 per share. Thus it will require Rs. 7-2-4 to purchase each fraction.

The stock to be paid for as follows:—

On or before 31st August, 1847—Rs. 100 per share.

“ 31st October, ” — 200 ”

“ 31st December, ” — 200 ”

4th Two months extra allowed to parties absent from India.

5th. Six per cent. interest to be allowed on sums paid to stock account from date of receipt till 31st December, when stock receipts will be issued; but any party to be allowed to pay in full for his stock on and after the 31st August, and his stock then to bear dividend from the first of the month after receipt of payment.

6th. Shareholders to make known to the secretary, in writing, on or before the 31st August, 1847, their intention regarding the portion of new stock allotted to them of the second increase of 5 lacs. In absence of any instructions of notice by the above date, the stock to be considered as relinquished, and sold for the benefit of the reserved fund, the bank giving the party whose stock is so relinquished 5 per cent as bonus.

The report was unanimously agreed to.

[See further Report of this Bank in the article on “Recent Bank Failures.”]

THE ORIENTAL BANK.

On Thursday the 16th December ult., a Meeting of the Shareholders of the Oriental Bank was held, when the following statement of affairs was presented, along with the report of the directors:—

Statement of the Affairs of the Oriental Bank, 1st December, 1847.

	LIABILITIES.	£	s.	d.
To capital of the Bank, amount paid up	898,007	10	0	
To reserved fund	128,380	19	6	
To deposits, circulation, and other liabilities ..	1,145,302	3	6	
To balances due to branches on their accounts current with London office and with each other. .	23,316	15	1	
To balance of profit and loss account, as per statement	54,462	7	3	
	<u>£2,249,469</u>	<u>15</u>	<u>4</u>	

ASSETS.		£	s.	d.
By cash and government securities		435,244	9	4
By bills discounted or purchased		1,246,114	10	8
By amount advanced on cash credits, or loans ..		528,571	7	5
By balances due by other banks		1,171	0	4
By bank premises, office, furniture, and fittings, and stationery at the various branches, and at London office		38,368	7	7
		<hr/> £2,249,469 15 4 <hr/>		

The report stated the net profits of the past year to have been £89,047 (£38,730 up to the 1st June last, and £50,317 up to the 1st December inst.), from which a dividend of 4 per cent., amounting to £37,261, had been paid in June, leaving, along with £2,676, which remained over from last year's account, a balance of £54,462, to be appropriated on the present occasion. This sum would be nearly equal to 6 per cent. for the half year; but the directors recommended that only 4 per cent. should be divided, and that the balance of £17,202, which would remain, should be set aside, in addition to the reserved fund of £128,389 already existing. During the discussion which followed, several questions were asked as to the losses of the bank and as to its probable future position in connection with the anticipated turn in Indian affairs, when it was stated that every ascertained loss had already been written off, and that those still to be apprehended were extremely small in comparison with what, under recent circumstances, might have been expected; it was, however, to guard against all possible contingencies in the present state of affairs that the additional reserve was strongly recommended. The dividend of 4 per cent. for the half year having been finally agreed to, certain new laws and regulations which had been arranged with the concurrence of the proprietary in India, for the more efficient management of the concern, were then submitted to the meeting and passed unanimously.

PRUSSIAN BANK.

Monthly Report of the Prussian Bank, according to Section 99 of the Bank Ordinance of Oct. 5, 1847:—

ACTIVE.		Rix-dol.
1. Gold coins and bars		12,328,700
2. Treasury-bonds.		1,129,900
3. Exchange		16,478,100
4. Lombardy loan.		14,032,300
5. State papers—various demands, &c.,..		13,321,100
PASSIVE.		
6. Bank notes in circulation		16,282,400
7. Deposit of capital		23,556,900
8. Loan of the State in Treasury-bonds, after deducting 4,100,000 rix-dols. c. fr., sect. 29 of the Bank Ordinance of Oct. 5, 1846		1,900,000
9. Credit of the public treasury, institutions, and private persons, including the Giro Bank.		3,888,700

The Royal Prussian Bank Directory, Berlin, Oct. 20, 1847.

(Signed) VON LOMBRECHT; WITT RICEHENBACK; MEYER SCHMIDT.

BANK OF MANCHESTER.

On the 13th October last, the annual meeting of the proprietors in this unfortunate scheme, which, it may be recollected, stopped payment

in 1842, was held at Hayward's Hotel, Manchester. The Bank of Manchester, at the time of its stoppage in 1842, had engagements to the amount of £1,810,462 18s. 11d., and estimated assets amounting only to £1,794,214 11s. 11d., showing a deficiency of £16,248 7s., exclusive of the loss of the entire capital of £741,040, and a reserved fund and surplus of £43,609 18s. 9d., making a total loss of £800,887 18s. 9d. The affairs of the bank have been in the course of winding up ever since; and the meeting was for the purpose of receiving a report from the directors entrusted with the winding up, of their progress during the year, and to elect new members of the board in place of those retiring by rotation. Mr. Farrar read the following document:—

The accounts submitted to the last general meeting brought down the affairs of the bank to the 30th of June, 1846. The estimated net assets at that date were £98,268 10s. 2d.; the liabilities, £40,578 1s. 1d.; and the apparent surplus, £57,690 9s. 1d. The following is a statement of the affairs of the bank, made up to the 30th of June, 1847:

<i>Assets.</i>			<i>Liabilities.</i>		
	£	s. d.		£	s. d.
Sundry accounts ..	752,216	10 9	Sundry accounts ..	18,875	3 3
Properties	33,921	7 9	Notes in circulation	1,335	0 0
Bills	19,382	0 0			
			Deduct	20,210	3 3
			Cash available ..	15,211	2 9
				4,999	0 6
			Bank stock	578,125	0 0
			New call	111,849	0 0
			Further call	109,368	7 5
			Reserved fund ..	1,178	10 7
	£805,519	18 6		£805,519	18 6
BROUGHT DOWN.					
	£	s. d.		£	s. d.
Gross assets	850,519	18 6	Liabilities	4,999	0 6
Less			Surplus	61,940	19 10
Estimated losses ..	738,597	18 2			
Net assets	£66,940	0 4		£66,940	0 4

The directors have, during the past year, forfeited 3,459 shares held by bankrupt and insolvent proprietors, and carried £34,590 original capital of £10 per share, and £804 received on account of calls, to the credit of the bad debt account, thereby reducing the amount heretofore taken as estimated loss to £738,579 18s. 2d. The probable ultimate surplus has increased during the year from £57,690 9s. 1d. to £61,940 19s. 10d. This arises from the receipt of £853 10s. on account of the calls, and the sum of £3,397 0s. 9d. realised beyond the estimates, on accounts now finally closed, after deducting interest and expenses. On the 30th of September the funds in hand amounted to £20,062, and the liabilities to £18,444, showing a surplus of cash at command of £1,618 over and above the sum required for the entire liquidation of the debts of the bank. With a view to place before the shareholders an account of their past labours, the directors would refer to the report of the affairs of the bank, made at the general annual meeting, on the 14th October, 1842. It will therein appear that the liabilities of the company amounted to £1,810,462 18s. 11d., which vast sum has been finally liquidated, and the proprietors have now a cash surplus left. They will not fail to perceive that this result could not have been attained under the embarrassed and difficult

circumstances in which the bank was then placed, without great anxiety and persevering exertions on the part of the directors, who may venture to express their own satisfaction in having thus succeeded in fulfilling the task of bringing it to the state presented in the present report. Considering that the winding up of the affairs of the bank, so far as relates to the discharge of all its debts, with which the directors were charged, has been effected, and that the proprietors, on the 6th February, 1843, passed a resolution that the company should not be dissolved, it appears proper for the proprietors to consider what may be the most advisable course to be adopted for ensuring to them the greatest benefit to be derived from the existing assets of the bank, and from the privileges of its legal position. The estimated amount of the assets may, it is believed, be ultimately realised, but, from the nature of the property, a considerable length of time, and the continued care and attention of the directors, will be requisite to effect this object, during which time the rent and other expenses of the bank will have to be continued. The directors have not thought it advisable to recommend, in this report, any plan for adoption; yet they are prepared to receive suggestions as to the future course to be pursued. To arrive at a sound opinion upon this question it will be proper to take into view that, during the liquidation of the debts, the affairs of the bank have been so conducted as to leave unimpaired the legal existence of the company; and as the bank was established under the original law, the late enactment restricting the privileges of joint-stock banks does not apply to this company, and therefore the advantages attached to it should be considered as an available property, which, if judiciously used, might give an increased value to the shares therein. But this value (whatever it may be), appertaining to its legal position, can only be realised by adopting some plan for reviving the business of the bank, either for account of the present proprietors, or by some other party, who may become their successors.—The directors who retire from office, by rotation, are Messrs. George Royle Chappell, Joseph C, Dyer, and John Gouldebrough. They will be proposed for re-election.

NORTH OF ENGLAND JOINT STOCK BANK.

A meeting of the members of the district committees and other influential shareholders in the North of England Joint Stock Banking Company, whose affairs are in course of being wound up, has been held at the head office in Newcastle-upon-Tyne, having been convened by the directors to confer on the present position of the affairs of the bank. Mr. John Fenwick was in the chair, when the following statement was read:—

“The directors have to the present time been daily engaged in arranging settlements with the debtors and creditors of this establishment. When they commenced their onerous duties in April last, the most clamorous portion of the creditors insisted, not only upon a cash payment, but upon bills at short dates for the remainder of their claims; this was resisted by every argument the directors could offer, but to avoid heavy law expenses they were compelled to give notes to a large amount at six and twelve months; several forming a series of those at a longer date. Nearly the whole of the former were granted in the months of April, May, and June, therefore becoming due in October, November and December, to the extent, with other engagements, of £34,798 17s. 10d. With this large amount of liability before them, and the cash derived from the first call, and the assets of the bank so far as realized fast disappearing, the directors were compelled, much against their inclination, to make a second call, and had that been responded to, even to the extent of the first, although that has hitherto fallen short of the amount which the directors hope may yet be realized, the necessity of the present meeting would not have existed. To this time the first call has produced £47,434 15s. 9d. and the second £28,115 13s. 11d., together £75,550 9s. 8d. A consider-

able portion of the second call consisted of transfers of loans previously made by the shareholders, the benefit derived from it has therefore been much lessened, and the directors regret to say that they have engagements to the amount of £15,000 to meet between this and Christmas, and that their cash is nearly exhausted. Ever since the suspension of this bank the country has been in a degree of panic, and matters have been brought to a serious crisis in this district by the stoppage of the Union Bank; now it is scarcely possible to get any bills discounted, and the disposal of property at anything like its value is quite out of the question. Under these circumstances it is clear that calls will come very slowly in, and some other mode of raising money must therefore be adopted, by loans or otherwise, to the extent of £12,000. With that sum, the directors consider they can meet every engagement to the end of the present year, and from thence to May, 1848, the liabilities are comparatively light. It therefore rests with the shareholders whether they will aid the directors in their laborious and most onerous duties, and carry out engagements of vast magnitude and importance both to the welfare of the proprietary and the public, by coming forward at once with aid to the extent named, or allow the affairs of the concern to pass into bankruptcy, a course that cannot be thought of without a fearful dread of its most ruinous consequences to every party connected with the bank."

It was suggested that a "list of the shareholders who had not paid their calls, be printed and circulated," but the motion was postponed until the general resolutions subsequently adopted were submitted to the shareholders. The following general resolutions were then put *seriatim*, and carried unanimously:—

"That, in the opinion of this meeting, it is highly desirable that the affairs of the establishment should continue to be wound up under the management of the directors, so as not only to avoid the ruinous expense of any other mode of settlement, but to ensure to the shareholders the valuable services of gentlemen who have now become familiar with the affairs of the bank, are consequently best able to decide on the course most expedient to be pursued for the general advantage, and under whose superintendence so very large a reduction has been made in the liabilities of the company.

"That this meeting regret that the obstacles which the directors have had to encounter should have been aggravated by the serious commercial difficulties of the present crisis, and having heard the explanation of the directors, they feel that the true interests of the shareholders imperatively require that they should, to the utmost of their power, aid the directors in raising the sum requisite to meet the pressing demands upon the bank.

"That, in the opinion of the meeting, this purpose can best be effected by an advance made to the bank by shareholders upon loan notes; and that the parties present therefore pledge themselves to assist in carrying out this most desirable object.

"That the directors be requested to communicate with the absent shareholders, to submit to them these resolutions, and to invite their co-operation in carrying out the resolutions of the present meeting.

"That it be recommended to the directors, in conjunction with the district committee, to wait personally upon the shareholders in their several districts, for the purpose of inducing them to make loans to the bank."

The statement of the directors, together with the resolutions adopted, were ordered to be printed, and circulated among the shareholders. It is generally understood that the representation of the directors will be responded to with that degree of promptitude which the existing circumstances of the case require, and that no apprehension of the ultimate security of the creditors need be entertained.

Notes of the Month and Intelligence.

THE AGRA BANK.—*Retirement of Mr. Hampton, Manager of the London Agency.*—Mr. F. R. Hampton, who was deputed from Calcutta in the earlier part of 1846 by the directors of the Agra Bank, with full powers to establish for them a direct office of agency in London, has just resigned his appointment, and is on the eve of returning to India.

We believe that Mr. Hampton has most ably and successfully, and to the entire satisfaction of his constituents, carried out the purposes of his mission. The annexed resolution and letter will sufficiently show the sentiments entertained towards him by the London committee. Mr. Hampton succeeded Mr. T. Bracken as Calcutta agent of the Bank about seven years ago. He is now relinquishing the service of the establishment altogether for a partnership in the house of Mackenzie, Lyol, & Co., of Calcutta, and he carries with him the esteem and good wishes of numerous friends on this side the water.

*Agra and United Service Bank Agency,
London, Dec. 1st, 1847.*

DEAR SIR.—I am instructed to hand you the accompanying record of the sentiments of the London Committee of the Agra Bank, on the occasion of your retirement from its service; and it affords me, after an official connexion of nearly six years, very sincere gratification in being the channel of conveying to you the public testimony to the worth of your services to the Bank, and to the high esteem in which you are personally held.

I remain, dear Sir, yours faithfully,
(Signed) H. W. J. WOOD, Official Agent.

F. R. HAMPTON, Esq.

*Agra and United Service Bank Agency,
London, Dec. 1st, 1847.*

Mr. F. R. Hampton, having this day reported his retirement from the management of this agency, the committee cannot deny themselves the gratification of recording the high sense they entertain of his valuable services.

With thorough habits of business, a complete identification of his own interests with those of the bank, and a perfect knowledge of the duties of his office, Mr. Hampton has ever brought to the performance of them such facilities of explanation, so sound a judgment, and such obligingness of disposition, as have justly obtained for him the unqualified respect and hearty good wishes of every individual connected with the establishment.

(Signed) D. McLEOD, MAJ.-GENERAL, Chairman.—GEO. POLLOCK, MAJ.-GENERAL. G.C.B.; C. FRASER; M. E. BAGNOLD; J. W. J. OUSELEY; W. TURNER; H. DOVETON; P. HENDERSON; J. H. MACDONALD; W. BRADDON; E. WILMOT; W. McGEORGE, Members.

UNION OF THE FIRMS OF LEATHAM, TEW, AND CO., AND SIR D. B. COOKE, BART., AND CO., OF DONCASTER.—From and after the 1st January inst., the above firms will be united, and the business will be carried on under the style of "Messrs. Cooke and Co."

LEEDS BANKING COMPANY.—In the errata to the *Banking Almanac* for the present year it is stated that the manager of this Bank is Mr. James Holroyd, but this is incorrect, the manager, as properly stated in the body of the work, being Mr. Greenland. We have not been able to ascertain how the error originated.

MESSRS. H. M. & G. TUBB.—THE BICESTER AND OXFORDSHIRE BANK.—The Oxford Bank of Messrs. Wootten, Tubb, Wootten and Tubb,

having dissolved partnership, Messrs. Henry Michael Tubb and George Tubb have the sole right to issue £27,090 at Bicester only, by purchase of Messrs. Wootten and Wootten, Oxford Bank, who have relinquished their circulation, and issue Bank of England notes. This alteration and the firm of "*Wootten and Wootten, Oxford*," ought to have been noticed in the *Banking Almanac*.

EFFECT OF REID, IRVING, AND CO.'S FAILURE AT CALCUTTA.—It is stated in private advices from Calcutta that the failure of Reid, Irving, and Co. was expected to be very serious in its results there, and that "bills to the extent of £30,000 had come back dishonoured."

JOHN FORSTER OF HARTBURN, BANKRUPT.—The *Gazette* of the 7th December, ulto., contains the following announcement:—

"FORSTER, JOHN, Hartburn, Northumberland, banker, Dec. 16, Jan. 20: solicitors, Messrs. Lawrance and Co., Old Fish Street, Doctors' Commons, Messrs. Griffith and Crighton, Newcastle-upon-Tyne: official assignee, Mr. Baker, Newcastle-upon Tyne."

JOSEPH ADY, the notorious writer of circulars offering to discover "£100 and upwards" for those who were foolish enough to send him a sovereign, has been summoned by the Post-office authorities for postage of letters sent by him and refused to be taken in by the parties addressed; and he has had to pay the amount under the recent postal act.

GENERAL ANNUITY ENDOWMENT ASSOCIATION, KING WILLIAM STREET.—The eighteenth annual general meeting of this association took place at the London Tavern, on Thursday, the 9th instant. George Patey Parkins, Esq., in the chair.

The objects of this society are principally to enable persons whose incomes terminate with their lives to secure annuities to their survivors, viz.—male relatives to the age of twenty-one; widows, and all female relatives while they remain unmarried. It likewise admits ladies to be members; and to persons in trade it holds out additional advantages, as the annuity cannot be sold or lost under any contingency, so long as the rules of the society are complied with.

Previous to the report being read, it was moved by Mr. Welch, deputy-chairman of the Provident Clerks' Association, and carried unanimously, that the gentlemen of the press should be allowed to remain during the proceedings.

After the report and financial statement had been read, and many remarks and suggestions made, especially with reference to a more extended dissemination of the benefits of the association, through the medium of the press, a very able and elaborate report of Mr. Neison, the eminent actuary, was read; in which, after a careful investigation of the company's affairs, he gave it as his opinion that they might with *perfect safety* fix the annuity at £18 10s. for the next five years, after which period another investigation should take place. It was urged by several members, that from the known caution of actuaries, in always keeping back a large reserve, that the amount might be extended to £20; but, upon a division, the majority agreed with the recommendation of Mr. Neison and the directors, that it should be confined to the smaller amount; and the rule was altered accordingly. Thanks were voted to the committee appointed last year, for the able manner in which they had performed their duties; and a most pleasing act of gratitude was suggested by Mr. Sowell, and cheerfully responded to by the directors and the meeting—that of some compliment being paid to George Walter, Esq., the founder of the association; and it was left to the directors to carry it out, as appeared to them best for the honour and feelings of Mr. Walter, and the interests of the association.

Mr. Walter very feelingly returned thanks; in the course of which he stated that he opened the account at the bankers of the association with only *one sovereign*, and that the meeting might judge how proud he must be when he heard that day that the widows of deceased members would receive £18 10s. for each annuity, and that the invested fund was upwards of £200,000. Thanks were voted to the directors, and also to G. P. Parkin, Esq., for his very courteous and gentlemanly conduct in the chair; after which the meeting separated.

It may be remarked that, from the willingness of the directors, through the chairman, in receiving the suggestions of members for the advancement of the association, a much better feeling pervaded the meeting than for some years past; and several members who have hitherto kept aloof expressed their satisfaction, as well as their intention to promote the interests of the association by all the means in their power.

STATE OF TRADE AT NEWCASTLE-ON-TYNE.—We have been favoured with a letter from Newcastle-upon-Tyne, containing the following particulars of the state of trade in that district:—

"The coal trade is in a very healthy state, a good demand, and good remunerating prices. This trade until lately has been very bad, ever since the 'rends' were done away with—that is, the combination amongst the coal-owners to limit the amount of their sales in proportion to the price, so as to keep up the price when the demand fell off. The demand for coal for cooking purposes, and for coke is very great, and constantly increasing.

"The iron trade is in as good a condition as could possibly have been expected, the railway companies having ceased to require their rails to be delivered at anything like the rate contracted for. This has enabled the manufacturers to deliver their merchant orders more punctually, and to reduce the accumulation of orders with which a short time ago they were literally overdone. They also take this opportunity to lower wages, which were exorbitant. In some of the iron works the men have struck; but for this the masters do not care, as they prefer much to reduce the supply rather than the price. All that are at work are fully employed, although this is invariably a dull time of the year in the iron trade, and all parties are holding off from purchasing as much as possible, in the expectation that prices will not rise, but may fall. A brisk spring trade is expected.

"Shipping is doing very well, though freights are not so high as they have been.

"The alkali trade is very bad, and much depressed, The Newcastle, Shields, and Sunderland Union Bank is going on winding-up; and although, of course, many parties complain, yet their affairs are in process of liquidation faster than could have been expected. It has been the desire of some parties connected with it to have started a new joint-stock bank with a good portion of the business carried on by the Union Bank, but it does not appear at all likely that they will be able to succeed. It is surprising how well this town has stood the failure of the Union Bank. No very serious failures have taken place in consequence, and although the other banks have been very cautious, and are considered to be all in a very strong position, yet the mercantile community have shown an astonishing amount of elasticity, owing to the general good state of trade, and the fact that in this locality there was a less amount of speculation in railway shares than in any other town of its size in the kingdom. There were never so many as a dozen sharebrokers in this town, even in the height of the railway mania. In corn there was very little done, considering how large a portion of foreign corn is generally imported here, and no heavy losses were sustained by importations this year, and but a very small portion of bills on the large houses that have recently failed were held here."

VARIATIONS IN THE RATE OF DISCOUNT SINCE THE PASSING OF THE BANK CHARTER ACT.—The following statement of the variations in the rate of interest on advances charged on the Bank of England since the passing of the Bank Charter Act of 1844, will be interesting at the present time. It will be observed that no less than *ten* alterations in the rate charged have taken place during the present year; a fact, we believe, without precedent in the history of the Bank. It must be borne in mind, in reference to the following table, that although the *minimum* rate is given, it by no means correctly represents the actual rate charged; as it was stated by the Chancellor of the Exchequer on moving for the late committee of enquiry, that while the *minimum* rate was 6 per cent., the actual rate taken at the Bank on all ordinary transactions was $7\frac{1}{2}$ per cent., and that when the government letter appeared, recommending the *minimum* of 8 per cent., it only added $\frac{1}{2}$ per cent. to what was actually the current rate. Although the annexed table is not official, we believe it may be depended on as a correct statement of the rate of interest on advances at the Bank of England since the passing of the Bank Charter Act of 1844.

1844.	September 5	Minimum rate of interest on advances at this date.. .. .			2½ per cent.
1845.	January 15	Minimum for advances on the security of bills of exchange not having more than six months to run, Exchequer-bills, East India Bonds, and other approved securities			2½ „
„	March 13	Minimum rate of interest on London bills and notes not having more than 95 days to run			2½ „
„	October 16.	Minimum rate on bills not having more than 95 days to run			3 „
„	November 6	ditto	ditto	ditto	3½ „
1846.	August 17	ditto	ditto	ditto	3 „
1847.	January 14	ditto	ditto	ditto	3½ „
„	„ 21	ditto	ditto	ditto	4 „
„	April 8	ditto	ditto	ditto	5 „
„	„ 15	Minimum rate on any class of bills			5 „
„	August 5	ditto	ditto	ditto	5½ „
„	September 23	Minimum rate for bills of two months and under			5½ „
„	September 23	Minimum rate for bills above two and under three months currency			6 „
„	October 25	Minimum rate on bills not exceeding 95 days			8 „
„	November 22	ditto	ditto	ditto	7 „
„	December 2	ditto	ditto	ditto	6 „
„	December 23	ditto	ditto	ditto	5 „

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF DECEMBER, 1847.

We are glad to be able to report a decided improvement in the condition of monetary affairs since our last publication. The funds, the state of trade, and the general condition of the country have become better. There have been few failures, and bills have been met more punctually than for some time past. The most important events of the month connected with Monetary affairs have been the reduction of the minimum rate of discount by the Bank of England to five per cent.; the

increase in the "Reserve of Notes" in the bank's weekly account, and the steady and continuous flow of bullion into the country, more particularly from America. No political event of importance has occurred to interfere with the appearances of returning prosperity; although the speech of the King of the French at the opening of the Chambers, in which he indirectly intimates the intention of his Government to endeavour to suppress the expression of public feeling, has been considered very unsatisfactory. A striking instance of the effect which would probably be produced on the funds, both in France and England, in case anything serious should happen to him, was exhibited in the course of the month, when on its becoming rumoured that he had been attacked with apoplexy, the French Rentes fell one per cent. in a few hours, and Consols here gave way to some extent.

The Bank failures of the month; the appointment of the Committee to enquire into the state of the Currency, &c.; we have noticed in separate articles.

THE EXCHANGES.

Large supplies of Bullion continue to arrive, and the Exchanges with America and the Continent continue so much in favour of this Country that further arrivals may be expected.

BANK OF ENGLAND RETURNS.

The Weekly Returns of the Bank, as published in the *Gazette*, exhibit the following results:—

LIABILITIES.

Date. 1847.	Circulation.	Public Deposits.	Private Deposits.	Total Deposits.	Rest.	Total Liabilities.
Nov. 13 ..	20·93 ..	5·99 ..	8·31 ..	14·30 ..	3·61 ..	38·85
20 ..	20·18 ..	7·22 ..	7·86 ..	15·08 ..	3·62 ..	38·89
27 ..	19·86 ..	7·73 ..	8·24 ..	15·97 ..	3·63 ..	39·46
Dec. 4 ..	19·67 ..	7·80 ..	8·44 ..	16·24 ..	3·59 ..	39·49
11 ..	19·18 ..	8·23 ..	8·43 ..	16·66 ..	3·60 ..	39·45
18 ..	18·61 ..	8·76 ..	8·60 ..	17·36 ..	3·61 ..	39·59

ASSETS.

Date. 1847.	Public Securities.	Private Securities.	Bullion in Banking De- partment.	Bullion in Issue De- partment.	Total Bullion.	Total Assets.
Nov. 13 ..	10·58 ..	19·01 ..	3·21 ..	6·05 ..	9·26 ..	38·85
20 ..	10·63 ..	18·24 ..	4·72 ..	5·29 ..	10·01 ..	38·89
27 ..	10·94 ..	17·98 ..	5·56 ..	4·97 ..	10·53 ..	39·46
Dec. 4 ..	10·94 ..	17·52 ..	6·25 ..	4·78 ..	11·03 ..	39·49
11 ..	10·94 ..	17·08 ..	7·10 ..	4·32 ..	11·42 ..	39·45
18 ..	11·00 ..	16·60 ..	8·23 ..	3·76 ..	11·99 ..	39·59

The changes shown by the above Returns are more important than any that have occurred since the passing of the Bank Charter Act. The great increase in the stock of bullion, and of the reserve of notes in the Banking department, exhibit the improved condition of the Establishment. The latter has been occasioned not only by the increase of *public* and other *deposits*, but also by the diminution of the other securities, which have continued to fall off, notwithstanding the reduction of the rate of discount to 6 per cent. on the 2nd December ulto.

Under these circumstances the Directors have thought proper to make a further reduction of the rate, and accordingly on the 23rd December they further reduced the minimum to 5 per cent. for discounts and loans, at which its remains. This reduction has given rise to some discussion, the *Times* and *Chronicle* maintaining that the movement is premature, while the *Economist* and others approve of the change. The *Times* says,—“The alteration of the rate of discount by the Bank of England is a step of very questionable expediency, but it is one which will cause no surprise. since so long as the direction is constituted in its present shape there can be little

question that, however tardy may be its decisions in raising the charge for accommodation, time will never be lost in seizing an opportunity for its reduction. That the accounts of the Bank, as they stand at this moment, exhibit it in a condition to extend its advances may readily be admitted, while it is also clear that if such extension is to take place it must be at a rate such as that which has been decided upon. But these accounts are only to be regarded as of a temporary character, preparatory to the payment of the dividends within a fortnight from this date. With a reserve of seven millions against banking liabilities, for deposits, &c., not exceeding seventeen or eighteen millions, some relaxation under ordinary circumstances would seem perfectly warrantable; but when a large proportion of those deposits are to be called for in a few days, the case is greatly altered. Hitherto, at the period of the dividends the Bank has usually had large amounts falling in from loans advanced during the shutting, but this year there are no such outstanding resources; and in its present position, therefore, we see all that it has to rely upon. At this time last year the reserve in the banking department was more than two millions higher, and the securities held were nearly two millions lower, than the amounts at which they stand in the *Gazette* return of this day week; and although an improvement may be shown in to-morrow night's publication, and further payments on revenue account, as well as for bills daily running off, are yet to be expected, the state of affairs will still not seem such as to render the present experiment necessary, when by two weeks' delay a far better judgment might have been formed of its desirableness and safety. Even the argument of a consideration for public convenience, which, although always a pernicious one when used in banking matters, is oftentimes made use of, does not exist in the present case, for there is no want of accommodation in ordinary channels at five per cent.; and the only public effect, therefore, of the measure seems likely to be that it will be regarded as a sort of manifesto in favour of cheap money, and thus cause the four, or six, or eight millions of railway calls (whatever the ultimate sum is to prove) for January to be followed up in February with like vigour. On the whole, therefore, although the step may not appear actually a dangerous one, it certainly cannot be regarded as exhibiting that example of caution which, from a public establishment, might be demanded."

We think that subsequent events have shown that the Directors were justified in the course they adopted. The addition of upwards of £1,000,000 to the reserve in the course of a single week, and the continued diminution of the other securities, showed that they were asking for a higher rate of interest than the market rate would warrant, and unless they choose to keep their money locked up, we do not see that they could have done otherwise than reduce their minimum.

THE CORN TRADE.

The weekly returns for England and Wales have been as follows :—

Weeks ended, 1847.	Qrs. sold	Weekly average. s. d.	Six Weeks' average. s. d.	Duty	Corresponding Six Weeks Last Year. s. d.
Nov. 13 ..	102,492 ..	53 8 ..	53 10 ..	nil ..	60 6
„ 20 ..	116,808 ..	54 3 ..	53 10 ..	„ ..	60 11
„ 27 ..	116,328 ..	52 11 ..	53 8 ..	„ ..	60 10
Dec. 4 ..	116,869 ..	52 1 ..	53 2 ..	„ ..	60 7
„ 11 ..	121,161 ..	51 11 ..	52 10 ..	„ ..	60 4
„ 18 ..	119,996 ..	52 2 ..	52 10 ..	„ ..	59 11

It will be observed that the present prices are still above those of last year, and that the fluctuations during the six weeks have not been important. There has been a rise of from two to three shillings a quarter during the past month, and holders do not seem inclined to realize except at an advanced rate. The arrivals from abroad begin to fall off, and now that the American canals will soon be closed for the winter season, we may probably expect that prices will rise somewhat higher. At present good bread is selling in London at 6½d. the quarter loaf.

[illegible]

JOINT STOCK BANKS.

	£40 sh.	£40	Opd.	£15	0
Australia	-	-	-	50	0
British North American	-	-	-	50	0
Commercial of London	-	-	-	30	0
London and Westminster	-	-	-	30	0
Ditto, New	-	-	-	30	0
Ditto, New	-	-	-	7	0
London Joint Stock	-	-	-	50	0
Provincial of Ireland	-	-	-	100	0
Ditto, New	-	-	-	10	0
National of Ireland	-	-	-	50	0
National Provincial of England	-	-	-	100	0
Ditto, New	-	-	-	10	0
Ditto, New	-	-	-	35	0
Union of Australia	-	-	-	35	0
Union of London	-	-	-	50	0
	-	-	-	10	0
	-	-	-	10	15

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 5 per Cent.	—	324
Belgian Bonds, 4½ per Cent.	91	—
Brazilian Bonds, 5 per Cent.	80	—
Buenos Ayres Bonds, 9 per Cent.	—	—
Caba Bonds, 6 per Cent.	—	—
Cuba Bonds, 6 per Cent.	—	—
Chilian Bonds, 6 per Cent.	88	—
Columbian Bonds, Deferred, 6 per Cent.	—	—
Danish 3 per Cent.	84	—
Greek Bonds 1824—25, 8 per Cent	—	—
Granada	184	—
Mexican 5 per Cent., 1846—	174	—
Peruvian Bonds, 6 per Cent.	—	—
Prussian Bonds, 4 per Cent.	30	—
Portuguese Bonds, 4 per Cent.	—	324
Russian Bonds, 1822, 5½ per Cent. in £ Ster.	—	107
Spanish Bonds 5 per C. div. from Nov. 1840	184	—
Ditto, Passive Bonds	—	44
Ditto, Deferred	—	—
Ditto, 3 per Cent. Spanish Bonds	—	304
2 per Cent. Venezuela Bonds	—	—
(Dividends on the above payable in London.)	—	—
Dutch 24 per Cent.	—	56
Ditto 4 per Cent. Loan	—	854
French 5 per Cent., at Paris	—	1156.75c.
Ditto 3 per Cent., ditto	—	—

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1847. Dec. 3rd.	1847. Dec. 10th.	1847. Dec. 17th.	1847. Dec. 24th.
Notes issued.....	£ 23,525,845	£ 23,956,165	£ 24,366,085	£ 24,769,685
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,984,900	2,984,900	2,984,900	2,984,900
Gold coin and bullion.....	8,315,633	8,745,732	9,111,038	9,450,007
Silver bullion.....	1,210,212	1,210,433	1,255,047	1,319,678
	23,525,845	23,956,165	24,366,085	24,769,685

BANKING DEPARTMENT.

	1847. Dec. 3rd.	1847. Dec. 10th.	1847. Dec. 17th.	1847. Dec. 24th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,623,323	3,629,567	3,587,004	3,601,390
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	7,219,802	7,729,572	7,799,527	8,229,759
Other deposits.....	7,866,492	8,238,554	8,441,289	8,437,376
Seven day and other bills.....	881,324	891,079	885,717	861,271
	34,143,931	35,041,772	35,226,537	35,682,796
Government securities (including Dead Weight Annuity).....	10,633,607	10,946,594	10,946,594	10,946,594
Other securities.....	18,791,117	18,531,810	18,070,409	17,630,931
Notes.....	4,228,095	4,986,590	5,583,030	6,448,780
Gold and silver coin.....	491,112	576,778	666,514	666,491
	34,143,931	35,041,772	35,226,537	35,682,796

The Exchanges.

	Dec. 3rd.	Dec. 10th.	Dec. 17th.	Dec. 24th.
Amsterdam, 3 months.....	12 7	12 7	12 6	12 5½
Ditto at sight.....	12 4	12 3	12 1½	12 2
Rotterdam, short.....	12 7½	12 7	12 6½	12 5½
Antwerp, 3 months.....	26 20	26 20	26 18	26 15
Hamburg, ditto.....	14 14	14	13 15½	13 14
Paris, short.....	25 65	25 65	25 65	25 70
Paris, 3 months.....	26	26	26 8	26 5
Marseilles, ditto.....	26 15	26 15	26 15	26 10
Bordeaux, ditto.....	26 20	26 15	26 15	26 10
Frankfort, ditto.....	123½	123½	123½	124
Vienna, ditto.....	10 21	10 20	10 20	10 21
Trieste, ditto.....	10 21	10 21	10 21	10 21
Madrid, ditto.....	46½	46½	46½	46½
Cadix, ditto.....	48½	48½	48½	48½
Leghorn, ditto.....	31 40	31 40	31 40	30 40
Genoa, ditto.....	26 20	26 20	26 15	26 15
Naples, ditto.....	39½	39½	39½	39½
Palermo, ditto.....	119	119	119	119
Messina, ditto.....	119	119	119	119½
Lisbon, 60 days' date.....	51½	—	51½	52
Oporto, ditto.....	51½	51½	51½	52½
Rio Janeiro, ditto.....	—	—	—	—

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTES.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.
	£	£	£	£	£
1 Andover Bank	17,751	8,306	8,089	7,187	7,946
2 Ashford Bank	11,849	9,520	10,136	8,265	7,674
3 Aylsham Bank	5,854	5,545	5,404	4,858	4,669
4 Aylesbury Old Bank	48,461	35,206	33,260	32,765	30,946
5 Baldock and Biggleswade Bank	37,223	27,250	25,798	25,634	26,343
6 Barnstaple Bank	17,182	13,979	12,422	10,965	10,365
7 Basingstoke and Odiham Bank	24,730	17,410	16,280	15,467	15,370
8 Bedford Bank	34,218	30,174	29,088	28,944	28,877
9 Bedford and Bedfordshire Bank	8,515	6,415	5,955	5,685	6,218
10 Bewdley Bank	18,597	13,594	12,795	12,013	11,758
11 Bicester and Oxfordshire Bank	27,090	18,531	17,149	16,155	15,493
12 Birmingham Bank—Attwoods & Co.	23,695	20,836	20,986	21,481	21,181
13 Birmingham and Warwickshire Bank	18,132	13,260	12,767	12,185	12,541
14 Blandford Bank	9,723	5,448	5,031	5,871	6,605
15 Boston Bank—Garfit and Co.	75,069	71,647	67,938	70,455	68,585
16 Boston Bank—Gee and Co.	15,161	13,074	12,743	12,717	13,721
17 Bridgewater Bank	10,028	8,179	7,817	7,755	7,849
18 Bristol Bank	48,277	33,120	32,868	32,514	30,142
19 Broseley and Bridgenorth Bank	26,717	20,931	20,785	19,517	19,988
20 Buckingham Bank	29,657	20,531	18,445	18,755	18,728
21 Bury and Suffolk Bank	82,362	70,857	66,288	65,841	66,321
22 Banbury Bank	43,457	26,510	26,902	26,766	26,623
23 Banbury Old Bank	55,153	43,530	41,912	40,889	40,505
24 Bath City Bank	4,572	1,963	1,934	1,853	1,944
25 Bedfordshire Leighton Buzzard Bank	36,829	29,028	28,664	28,225	27,299
26 Birmingham Bank—Taylor & Lloyds	38,816	33,021	30,363	29,155	28,803
27 Bradford Old Bank	12,676	11,902	11,687	11,928	11,799
28 Brecon Old Bank	68,271	65,567	64,390	58,929	55,816
29 Brighton Union Bank	33,794	23,751	22,480	21,043	21,138
30 Burlington and Driffield Bank	12,745	11,575	11,669	12,956	11,930
31 Bury St. Edmund's Bank	3,201	2,315	2,610	2,889	2,977
32 Bromsgrove Bank	16,799	13,699	12,890	12,457	12,720
33 Cambridge Bank (Mortlock & Sons)	25,744	21,284	20,801	20,220	19,352
34 Cambridge and Cambridgeshire Bank	49,916	48,753	45,185	42,751	42,006
35 Canterbury Bank	33,671	27,463	25,680	24,488	24,608
36 Carmarthen Bank	23,597	21,358	21,955	20,745	19,580
37 Chertsey Bank	3,436	2,978	2,915	2,891	2,628
38 Colchester Bank	25,082	16,550	16,071	15,318	14,964
39 Colchester and Essex Bank	48,704	32,709	33,397	31,907	31,617
40 Cornish Bank	49,869	43,467	41,982	39,709	38,189
41 Coventry Bank	12,045	9,200	8,499	8,109	7,979
42 City Bank, Exeter	21,527	16,690	14,725	13,162	12,318
43 Craven Bank	77,154	78,233	78,865	73,355	69,654
44 Christchurch Bank	2,840	1,973	1,782	1,606	1,625
45 Cardiff Bank	7,001	6,227	5,711	5,419	5,024
46 Chepstow Old Bank	9,387	6,798	6,546	6,341	5,791

NAME OF BANK.	Authorised Issuc.	AVERAGE AMOUNT.			
		Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.
	£	£	£	£	£
47 Derby Bank—Messrs. Evans	13,332	12,820	12,623	11,648	11,628
48 Derby Bank—Smith and Co.	41,304	37,669	37,006	36,090	34,880
49 Derby Old Bank	27,237	26,234	25,749	25,507	24,461
50 Devizes and Wiltshire Bank	20,674	10,145	9,488	8,886	8,343
51 Diss Bank.	10,657	10,580	10,031	9,623	9,403
52 Doncaster Bank	13,881	11,458	11,094	11,088	10,728
53 Doncaster Bank and Retford Bank	63,519	59,312	57,277	57,864	56,045
54 Darlington Bank	86,218	60,573	63,333	64,665	63,539
55 Devonport Bank	10,664	8,670	8,705	8,299	7,735
56 Dorchester Old Bank	48,807	37,907	31,665	27,955	25,786
57 East Cornwall Bank	112,280	92,915	85,521	83,075	82,818
58 East Riding Bank	53,392	52,483	52,535	55,575	50,905
59 Essex Bank & Bishops Stortford Bk.	69,637	38,502	39,195	38,035	40,032
60 Exeter Bank	37,894	24,414	21,298	19,325	19,151
61 Fakenham Bank	24,293	19,492	19,079	18,808	18,249
62 Farringdon Bank & Bank of Wantage	8,977	2,321	2,458	2,691	2,795
63 Farnham Bank	14,202	12,607	12,676	12,171	11,453
64 Faversham Bank	6,681	4,948	4,652	4,580	4,533
65 Godalming Bank	6,322	5,275	4,484	4,409	4,542
66 Grantham Bank—Kewney and King	19,401	18,045	17,150	18,946	19,226
67 Guildford Bank	14,524	11,265	10,473	11,308	10,724
68 Grantham Bank—Hardy and Co. . .	30,372	24,989	23,815	23,604	23,083
69 Hastings Old Bank	38,038	23,510	22,047	22,442	22,450
70 Hereford City and County Bank . .	22,364	16,170	14,644	13,095	12,812
71 Hertford and Ware Bank	23,635	19,467	18,019	17,358	19,379
72 Hull and Kingston-upon-Hull Bank	19,979	18,411	17,773	18,321	18,214
73 Huntingdon Town and County Bank	56,591	42,026	39,667	40,162	39,180
74 Harwich Bank	5,778	5,109	5,045	4,624	4,760
75 Hemel Hempstead Bank	23,842	17,410	16,597	16,079	15,994
76 Hertfordshire, Hitchin Bank	38,764	29,317	28,418	27,494	27,818
77 Hereford, Ross, & Archenfield Bank	27,625	20,206	19,557	18,931	18,732
78 Ipswich Bank	21,901	18,236	17,647	18,263	18,565
79 Ipswich and Needham Market Bank	80,699	69,892	69,451	69,089	68,126
80 Kentish Bank	19,895	11,485	11,668	10,920	10,468
81 Kington and Radnorshire Bank	26,050	24,764	25,060	23,462	23,095
82 Knighton Bank	9,090	7,680	7,893	7,069	6,906
83 Knaresborough Old Bank	21,825	19,259	19,397	20,014	18,735
84 Kendal Bank	44,663	41,174	39,736	38,590	37,430
85 Kettering Bank	9,192	6,731	6,290	5,859	6,038
86 Lane End Staffordshire Bank	5,624	5,420	5,335	5,430	5,445
87 Leeds Bank	53,357	48,672	47,313	49,554	48,231
88 Leeds Union Bank	37,459	30,485	29,043	28,720	27,399
89 Leicester Bank	32,322	26,785	27,326	26,301	25,731
90 Lewes Old Bank	44,836	32,385	31,388	29,096	28,031
91 Lichfield Bank	22,786	16,858	16,825	16,767	16,471
92 Lincoln Bank	100,342	93,534	91,309	88,435	88,811
93 Llandovery Bank and Llandilo Bank	32,945	25,585	24,081	20,302	16,341
94 Loughborough Bank	7,359	6,224	6,900	7,429	6,921
95 Lynton Bank	5,038	2,540	2,185	2,231	2,391
96 Lynn Regis and Lincolnshire Bank	42,817	39,917	37,560	36,842	36,181
97 Lynn Regis and Norfolk Bank	13,917	13,786	14,012	13,804	13,781

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.
	£	£	£	£	£
98 Macclesfield Bank	15,760	10,596	9,926	9,417	9,261
99 Manningtree Bank	7,692	6,839	6,747	6,311	6,204
100 Marlborough Bank	19,073	10,765	9,922	10,107	10,342
101 Marlboro' & North Wiltshire New Bk.	12,490	8,247	6,765	6,924	6,930
102 Merionethshire Bank	10,906	6,990	6,735	6,630	6,264
103 Miners Bank	18,688	16,403	15,359	15,122	15,001
104 Monmouthsh. Agricult. & Comm. Bk.	29,335	28,561	24,694	23,782	22,788
105 Monmouth Old Bank	16,385	13,752	13,367	14,380	12,355
106 Monmouthshire Newport Old Bank	8,600	7,746	7,659	7,255	6,803
107 Newark Bank	28,788	27,123	27,171	26,946	26,289
108 Newark and Sleaford Bank	51,615	48,835	48,772	47,720	47,864
109 Newbury Bank	36,787	18,324	17,687	17,757	17,330
110 Newmarket Bank	23,098	20,457	20,131	19,370	19,486
111 Norfolk and Suffolk Bank	4,551	2,904	2,549	2,103	2,266
112 Norwich Crown Bank	45,120	36,480	35,260	35,466	35,801
113 Norwich and Norfolk Bank	75,372	65,892	61,915	61,321	59,580
114 Nottingham & Nottinghamshire Bk.	10,866	10,200	9,414	9,579	10,121
115 Nuneaton Bank	5,898	4,782	4,767	4,753	4,694
116 Naval Bank, Plymouth	27,321	19,420	17,923	16,852	16,145
117 New Sarum Bank	15,659	6,343	6,132	5,843	5,931
118 Nottingham Bank	31,047	29,677	29,293	30,110	29,420
119 Oswestry Bank	18,471	10,172	9,821	9,465	10,008
120 Oxford Bank	14,277	10,785	10,767	10,847	10,495
121 Oxford Old Bank	34,391	25,828	26,753	26,808	27,255
122 Old Bank Tonbridge	13,183	9,750	9,660	7,845	6,960
123 Oxfordshire Witney Bank	11,852	5,908	6,425	7,234	6,634
124 Pease's Old Bank, Hull	48,807	46,613	46,603	47,518	45,506
125 Penzance Bank	11,405	10,007	9,043	9,898	10,345
126 Peterborough Bank—Yorke & Co...	12,545	8,471	7,486	7,311	7,223
127 Peterborough Bank—Simpson & Co.	12,832	10,159	9,314	9,506	9,928
128 Pembrokehire Bank	12,910	8,997	7,862	7,798	7,751
129 Reading Bank—Simmonds and Co.	37,519	18,698	17,844	18,610	18,466
130 Reading Bank—Stephens and Blandy	43,271	21,689	19,959	20,283	20,858
131 Richmond Bank, York	6,889	5,043	4,769	4,047	3,453
132 Ringwood and Poole Bank	11,856	7,175	6,847	6,713	6,384
133 Rochdale Bank	5,590	4,791	4,493	4,151	4,116
134 Rochester, Chatham, & Strood Bank	10,480	7,096	7,111	6,841	7,456
135 Royston Bank	16,393	11,753	11,775	11,295	11,281
136 Rugby Bank	17,250	12,839	13,088	14,875	13,675
137 Rye Bank	29,864	17,902	16,597	15,012	14,958
138 Reigate and Dorking Bank	13,700	8,384	8,104	8,084	7,734
139 Ross Old Bank, Herefordshire	7,420	4,177	3,760	3,674	3,740
140 Saffron Walden & North Essex Bank	47,646	31,546	32,215	31,077	32,550
141 Salop Bank	22,338	11,642	10,849	9,925	9,909
142 Scarborough Old Bank	24,813	23,326	23,810	24,273	24,080
143 Shrewsbury Old Bank	43,191	25,212	23,541	21,604	21,503
144 Sittingbourn and Milton Bank	4,789	2,713	2,695	2,606	2,763
145 Southampton Town & County Bank	18,589	11,794	9,776	9,004	9,661
146 Southwell Bank	14,744	13,262	13,290	13,226	13,049
147 St. Albans Bank	3,743	1,587	1,600	1,504	1,443
148 Southampton and Hampshire Bank	6,770	3,006	2,715	2,753	2,649

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.
	£	£	£	£	£
149 Stone Bank	9,154	6,325	5,976	5,970	5,819
150 Stourbridge Bank	17,295	15,703	14,833	14,985	13,660
151 Stafford Old Bank	14,166	13,613	13,014	13,217	13,111
152 Stamford and Rutland Bank	31,858	31,387	30,503	27,648	27,475
153 Stourbridge Old Bank	17,560	16,560	17,075	16,988	18,136
154 Shrewsbury and Welsh Pool Bank ..	25,336	15,594	15,975	15,563	15,417
155 St. Albans and Herts Bank	2,333	1,733	1,694	1,716	
156 Taunton Bank	29,799	22,847	20,647	19,576	19,680
157 Tavistock Bank	13,421	11,350	10,705	8,588	8,594
158 Thornbury Bank	10,026	8,148	8,090	8,114	7,956
159 Tiverton and Devonshire Bank	13,470	9,057	8,455	8,254	7,631
160 Thrapston and Kettering Bank	11,559	10,175	10,371	10,966	10,361
161 Tring Bank and Chesham Bank	13,531	9,742	9,719	9,596	9,621
162 Towcester Old Bank	10,801	8,916	8,776	8,704	8,478
163 Union Bank, Cornwall	17,003	12,655	10,153	8,695	8,378
164 Uxbridge Old Bank	25,136	16,896	16,196	16,035	16,747
165 Wallingford Bank	17,064	3,293	3,064	3,360	4,084
166 Warwick and Warwickshire Bank ..	30,504	25,298	24,565	23,875	22,328
167 Wellington Bank, Somerset	6,528	4,052	3,409	2,785	2,804
168 West Riding Bank	46,158	41,310	40,422	40,251	39,777
169 Whitby Old Bank	14,258	13,533	13,908	14,568	14,431
170 Winchester, Alresford, & Alton Bank	25,892	20,192	18,357	17,784	16,975
171 Winchester and Hampshire Bank ...	6,737	3,905	3,520	3,284	3,122
172 Weymouth Old Bank	16,461	12,908	10,551	7,650	7,115
173 Wirksworth and Derbyshire Bank ..	37,602	34,725	34,326	33,726	32,382
174 Wisbech and Lincolnshire Bank	59,713	54,590	54,150	54,160	55,409
175 Wiveliscombe Bank	7,602	6,711	5,919	5,674	5,568
176 Wolverhampton Bk. (Goodricke & Co.	14,180	9,981	10,665	11,673	11,338
177 Worcester Bank	15,463	10,884	9,746	8,966	9,427
178 Worcester Old Bank	87,448	74,213	71,194	67,884	66,965
179 Worcestershire Bank	14,309	10,213	8,453	8,193	8,345
180 Walsall Old Bank	19,937	17,165	16,938	17,382	17,963
181 Warminster and Wiltshire Bank	24,896	10,478	11,358	10,912	11,125
182 Wrexham Bank	3,289	1,475	1,545	1,878	2,084
183 Wolverhampton Bk. (R. & W.F. Fryer)	11,867	10,072	10,224	9,296	9,736
184 Yarmouth and Suffolk Bank	53,060	46,295	47,245	47,857	48,825
185 Yarmouth, Norfolk, & Suffolk Bank.	13,229	10,975	11,450	11,364	10,417
186 Yeovil Old Bank	10,033	6,228	6,535	6,502	5,400
187 York Bank	46,387	42,041	41,188	41,272	39,529

JOINT STOCK BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.
	£	£	£	£	£
1 Bank of Westmorland.....	12,225	9,276	8,557	8,036	7,714
2 Barnsley Banking Company	9,563	8,485	8,694	8,065	7,428
3 Bradford Banking Company	49,292	44,517	40,726	37,631	37,119
4 Bileston District Banking Company..	9,418	8,789	9,299	9,330	9,225
5 Bank of Whitehaven	32,681	30,600	30,281	30,402	28,562
6 Bradford Commercial Banking Co..	20,084	13,523	12,964	13,190	13,003
7 Burton, Uttoxeter & Staffords. Un. Bk.	60,701	50,036	47,503	46,042	49,119
8 Chesterfield & Nth. Derbysh. Bkg. Co.	10,421	8,755	7,789	7,922	8,025
9 Cumberland Union Banking Co. . .	35,395	30,600	31,209	29,679	28,108
10 Cheltenham & Gloucestersh. Bkg. Co.	12,786	9,723	9,370	9,309	9,317
11 Coventry & Warwickshire Bkg. Co.	28,734	22,424	21,858	20,842	18,673
12 Coventry Union Banking Company	16,251	11,311	10,698	10,880	9,702
13 County of Gloucester Banking Co. .	144,352	99,170	93,353	86,891	83,800
14 Carlisle & Cumberland Banking Co.	25,610	25,580	26,042	24,538	23,244
15 Carlisle City and District Bank	19,972	16,969	16,865	15,855	14,823
16 Dudley & West Bromwich Bkg. Co.	37,696	33,894	33,960	33,533	33,618
17 Derby and Derbyshire Banking Co.	20,093	18,705	17,055	16,047	16,359
18 Darlington Dist. Joint Stock Bkg. Co.	26,134	14,978	14,910	14,883	13,817
19 East of England Bank.....	25,025	23,248	22,550	23,588	23,434
20 Gloucestershire Banking Company .	155,920	128,775	121,340	116,873	119,970
21 Halifax Joint Stock Bank	18,534	11,691	11,444	11,430	11,640
22 Huddersfield Banking Company ..	37,354	32,969	32,000	29,999	29,586
23 Hull Banking Company	29,333	24,973	25,535	26,653	25,982
24 Halifax Commercial Banking Co. . .	13,733	8,723	7,628	7,578	7,620
25 Halifax & Huddersfield Union Bank	44,137	28,329	28,254	25,499	23,659
26 Helston Banking Company	1,503	1,490	1,517	1,324	1,164
27 Herefordshire Banking Company ..	25,047	18,545	15,342	14,939	13,810
28 Knaresborough and Claro Bkg. Co.	28,059	25,651	26,561	27,220	26,116
29 Kingsbridge Joint Stock Bank	3,952	3,285	3,369	3,058	2,647
30 Lancaster Banking Company	64,311	56,458	54,835	54,793	52,743
31 Leeds Banking Company	23,076	19,889	19,224	18,493	17,565
32 Leicestershire Banking Company ..	86,060	75,436	74,023	72,394	69,493
33 Lincoln and Lindsay Banking Co. . .	51,620	48,659	47,024	48,565	49,774
34 Leamington Priors & Warwicksh. Bk.	13,875	9,730	9,188	8,924	8,189
35 Ludlow and Tenbury Bank.....	10,215	7,557	6,615	7,006	6,757
36 Moore & Robinson's Nottinghamsh. Bk.	35,813	23,752	22,483	21,364	21,146
37 Nottingham & Nottinghamsh. Bkg. Co.	29,477	25,210	25,717	25,051	23,959
38 Newcastle, Shields and Sunderland Union Joint Stock Bank.....	84,130	56,992	48,143	44,499	40,776
39 National Provincial Bk. of England	442,371	327,644	305,020	295,248	291,359
40 North Wilts Banking Company	63,939	45,130	41,340	38,507	36,244
41 Northamptonshire Union Bank	84,356	74,660	72,882	71,888	69,183
42 Northamptonshire Banking Co.	26,401	23,898	22,025	21,090	21,465
43 North and South Wales Bank	63,951	41,573	37,297	34,348	31,940
44 Pares's Leicestershire Banking Co. .	59,300	47,720	47,600	45,633	44,175
45 Saddleworth Banking Company	8,122	1,810	1,703	1,855	1,773
46 Sheffield Banking Company	35,843	33,387	33,818	36,233	35,593
47 Stamford, Spalding & Boston Bkg. Co.	55,721	51,506	47,894	46,049	48,013

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.
	£	£	£	£	£
48 Stuckey's Banking Company	356,976	257,135	230,218	215,425	207,250
49 Shropshire Banking Company	47,951	40,417	39,844	39,600	40,900
50 Stourbridge and Kidderminster Bank	56,830	55,420	54,387	53,110	49,831
51 Sheffield and Hallamshire Bank	23,524	21,066	19,695	19,736	19,562
52 Sheffield & Rotherham Jnt. Stock Bk.	52,496	51,426	50,204	50,723	50,959
53 Swaledale and Wensleydale Bank ..	54,372	48,448	48,400	50,344	48,877
54 Storey's and Thomas's Bank	9,714	9,250	9,405	9,680	9,102
55 Sheffield and Retford Bank.	18,744	876	869	845	845
56 Wolverhampton & Staffordshire Bank	35,378	30,810	30,591	31,184	30,720
57 Wakefield and Barnsley Union Bank	14,604	12,314	11,938	11,066	11,035
58 Whitehaven Joint Stock Bank	31,916	28,235	28,371	27,356	25,232
59 Warwick and Leamington Bkg. Co.	37,124	29,828	28,565	29,531	28,359
60 West of England and South Wales District Bank	83,535	70,176	61,875	56,528	55,407
61 Wilts and Dorset Banking Company	76,162	49,205	47,000	43,238	40,380
62 West Riding Union Banking Co. ..	34,029	23,580	22,361	23,874	22,036
63 Whitchurch and Ellesmere Bkg. Co.	7,475	2,673	2,040	1,758	1,690
64 Worcester City and County Bkg. Co.	6,848	5,629	5,412	4,927	4,055
65 York Union Banking Company	71,240	69,733	66,894	68,590	65,011
66 York City and County Banking Co.	94,695	86,040	84,368	87,359	82,298
67 Yorkshire Banking Company	122,532	101,709	98,727	99,319	94,509

Summary of the above Returns.

	Fixed Issues.	Nov. 13.	Nov. 20.	Nov. 27.	Dec. 4.
	£	£	£	£	£
187 PRIVATE BANKS	4,880,389	3,869,295	3,715,826	3,635,411	3,571,668
65 JOINT STOCK BANKS	3,261,906	2,729,915	2,594,672	2,527,304	2,455,189
252 * TOTALS ..	8,142,295	6,599,210	6,310,498	6,162,715	6,026,857

Average Weekly Circulation of these Banks for the Month ending December 4th :—

Private Banks	£3,698,050
Joint Stock Banks	2,576,770

<i>Average Weekly Circulation of Private and Joint Stock Banks ending as above</i>	<i>£6,274,820</i>
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On a comparison of the above with the Returns for the Month ending 6th Nov. last, it shows—

A decrease in the Notes of Private Banks, of	£601,298
A decrease in the Notes of Joint Stock Banks, of	507,341

Total decrease on the Month £1,108,639

And, as compared with the Month ending the 5th December, 1846, it shows—

A decrease in the Notes of Private Banks, of	£900,144
A decrease in the Notes of Joint Stock Banks, of	611,905

Total decrease, as compared with the same period of last year .. £1,512,049

* Note—The above is the amount of the fixed issues after deducting the fixed issues of the banks that have suspended payments. Two of these banks, however, it will be seen, are included in the preceding returns.

The fixed issues of the several Banks of Issue in England and Wales, excepting the Bank of England, are now, according to the *Banking Almanac* for 1848, as follows:—

187 Private Banks, allowed to issue	£4,880,389
65 Joint Stock Banks, allowed to issue	3,261,906

252	Total fixed issue	£8,142,295
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The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue	£1,182,339
The Joint Stock Banks are below their fixed issue	833,217

Total BELOW the fixed issue.....	£2,015,556
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Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 4th day of December, 1847.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold and Silver Coin held during Four Weeks, ending as above.
		£5 and upwards.	Under £5.	Total.	
Bank of Scotland.....	£300,485	£117,565	£270,355	£387,920	£150,289
Royal Bank of Scotland	183,000	67,256	139,921	207,177	75,723
British Linen Company	438,024	163,997	325,625	489,623	117,418
Comm. Bk. of Scotland	374,880	165,144	359,782	524,926	217,154
National Bk. of Scotland	297,024	96,921	233,885	330,806	83,783
Union Bank of Scotland	327,223	108,290	242,481	350,771	86,964
Edinburgh & Glasgow Bk.	136,657	53,660	98,460	152,120	45,443
Bkg. Com. in Aberdeen	88,467	32,427	83,230	115,658	30,262
Aberdeen Town & Co. Bk.	70,133	29,210	69,734	98,944	31,135
North of Scotland Bk. Co.	154,319	51,762	110,633	162,395	22,258
Dundee Banking Com. .	33,451	8,707	25,723	34,430	5,004
Eastern Bk. of Scotland	33,636	11,131	26,348	37,480	6,427
Western Bk. of Scotland	337,938	106,054	328,696	434,750	119,959
Clydesdale Banking Co.	104,028	31,701	86,290	117,991	37,957
City of Glasgow Bank ..	72,921	42,515	71,695	114,210	49,200
Caledonian Banking Co.	53,434	19,153	46,073	65,226	16,895
Perth Banking Company	38,656	21,493	35,581	57,074	23,011
Central Bk. of Scotland	42,933	16,255	34,729	50,984	14,549
TOTALS (Scotch Banks)	3,087,209	1,143,241	2,589,241	3,732,485	1,133,431

IRISH BANKS.

Bank of Ireland	3,738,428	1,929,775	1,245,625	3,175,400	711,589
Provincial Bank	927,667	338,975	494,743	833,718	427,062
Belfast Bank	281,611	37,379	228,844	266,223	106,099
Northern Bank	243,440	27,493	148,311	175,804	48,841
Ulster Bank	311,079	19,995	184,313	204,308	49,903
National Bank	761,757	217,708	380,287	597,996	224,998
Carrick-on-Suir Nat. Bk.	24,084	6,307	9,844	16,152	5,509
Clanmel National Bank	66,428	19,605	33,535	53,140	16,769
TOTALS (Irish Banks)...	6,354,494	2,597,237	2,725,502	5,322,741	1,590,770

SUMMARY OF IRISH AND SCOTCH RETURNS TO DECEMBER 4th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 4th December, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks .. £5,322,741
Average Circulation of the Scotch Banks ... 3,782,485

Total Average Circulation of these Banks for the month ending 4th Dec. inst. £9,055,226

On comparing these amounts with the Returns for the month ending 6th November last, they show—

Decrease in the Circulation of Irish Banks .. £196,573
Increase in the Circulation of Scotch Banks .. 125,767

Total decrease last month £ 70,806

And as compared with the month ending 6th December, 1846, they show—

Decrease in the Circulation of Irish Banks £2,516,799
Decrease in the Circulation of Scotch Banks 264,376

Total decrease on the year £2,781,175

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows:—

8 Banks in Ireland, allowed to issue £6,354,494
18 Banks in Scotland, allowed to issue .. 3,087,309

26 Banks in all, allowed to issue £9,441,703

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue.... £1,031,753
Scotch Banks are above their fixed issue 645,276

Total below the fixed issue..... £386,477

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks .. £1,590,770
Gold and Silver held by the Scotch Banks .. 1,133,431

Total of Gold and Silver Coin £2,724,201

Being a increase of £54,244 on the part of the Irish Banks, and an increase of £17,371 on the part of the Scotch Banks, above the several amounts held by them during the preceding month.

The comparative circulation of notes, for above, and under £5 each, during the past month, has been as follows :—

	Above £5.	Under £5.	Total.
In Ireland..	£2,597,337 ..	£2,723,502 ..	£5,322,739
In Scotland	1,143,341 ..	2,599,241 ..	3,732,482
Total ..	£3,740,478 ..	£5,314,743 ..	£9,055,221

CIRCULATION OF THE UNITED KINGDOM TO DECEMBER 4th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 4th December, 1847.

Circulation of Notes for the Month ending December 4th, as compared with the previous month :

	Nov. 6.	Dec. 4.	Increase.	Decrease.
Bank of England.....	£20,226,714	19,275,264	—	951,450
Private Banks	4,299,348	3,698,050	—	601,298
Joint Stock Banks	3,084,111	2,876,770	—	507,341
Total in England.....	27,610,173	25,550,084	—	2,060,089
Scotland.....	3,606,718	3,732,485	125,767	—
Ireland	5,519,314	5,322,741	—	196,573
United Kingdom.....	£36,736,205	£34,605,310	—	2,130,895

The comparison of the month ending Dec. 5th, 1846, with the month ending Dec. 4th, 1847, shows a decrease in the Bank of England circulation of £842,864, a decrease in Private Banks of £900,144, and a decrease in Joint Stock Banks of £611,905; being a total decrease in England of £2,354,913; while in Scotland there is a decrease of £264,376; and in Ireland a decrease of £2,516,799. Thus showing that the month ending December 4, as compared with the same period last year, presents a decrease of £2,354,913 in England, and a decrease of £5,136,088 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending December 4, gives an aggregate amount in both departments of £10,210,255. On a comparison of this with the Return for the month ending November 6, there appears to be an increase of £1,732,301; and as compared with the month ending December 5, 1846, being the corresponding period last year, there is a decrease of £4,735,628.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 4th December, was £2,724,201, being an increase of £71,615, as compared with the preceding month, and a decrease of £1,210,031, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

FEBRUARY, 1848.

THE COMMERCIAL HISTORY OF THE PAST YEAR.

It would require a much larger space than we have at command, to notice, even briefly, in a single article, the extraordinary commercial and financial events of the past year; but it will not, probably, be uninteresting, to bring together a few of the more important statistical facts, connected with banking affairs and the condition of trade generally, which a comparison of the results of the year leaves for consideration. It is so common to exaggerate the importance of the present time, as contrasted with the past, that very few persons, who have watched with any degree of attention the monetary events of the last twelvemonth, will, probably, be disposed to question the accuracy of the often repeated expression, that it has been a year of unexampled fluctuations; and on looking at the facts on which this assertion rests, it would, perhaps, be difficult to find any period in modern times in which such rapid alterations have taken place in the value of money, as measured by the rate of interest, in the prices of commodities, and in the general condition of monetary affairs throughout the world. It will, therefore, be useful to have a few examples of these extraordinary changes brought together for reference; and with this view we have arranged the following figures relative to the Funds, the condition of the Bank of England, and the various branches of the home and foreign trade of the country. We must present them without comment; but that we can leave for our readers.

The Public Funds form a Barometer of the Money Market. By their rise or fall, the prospects of trade, as well as of the political condition of the kingdom, is generally indicated with sufficient accuracy to entitle them to the appellation they have received; and in examining the prices of the funds at the commencement and termination of the year, the following is the result.

Fluctuations from the 1st January to the 31st December, 1847:—

	Highest.	Lowest.
Bank Stock	207	182
Reduced Annuities	94½	77½
Consols	93½ ex. div. ..	78½
New Three-and-a-Quarter per Centa.	95½	79½
Exchequer Bills.. .. .	15s. prem. ..	37s. dis.
India Bonds	21s. prem. ..	50s. dis.
India Stock	254 ex. div. ..	220

In the Foreign Funds the fluctuations during the same period, ending the 31st of December, 1847, have been as follows:—

	Highest.	Lowest.
Spanish Five per Cents.	26½	15½
Ditto Three per Cents.	36½ ex. div. ..	26
Portuguese Four per Cents.	39½	19
Mexican	25½	15½
Brazilian	87½	74
Austrian	110½	100½
Russian	113	103½
Dutch Four per Centa.	93½	80

In Railways, the fluctuations have been more formidable even than the above, as will be seen from the following table:—

NAME.	At Jan. 1, 1847.	Highest Price.	Lowest Price.	At 31st Dec., 1847.
Blackwall	8½ dis. ..	7½ dis. ..	11½ dis. ..	11½ dis.
Brighton	9 pm. ..	9½ pm. ..	13½ dis. ..	7½ dis.
Birmingham and Oxford	10 pm. ..	13½ pm. ..	2½ pm. ..	2½ pm.
Caledonian	par	½ pm. ..	17 dis. ..	14 dis.
Eastern Counties	3 pm. ..	8½ pm. ..	4½ dis. ..	4½ dis.
Great Western	44 pm. ..	54 pm. ..	par	7½ pm.
London & North Western	96 pm. ..	102 pm. ..	38½ pm. ..	48 pm.
Midland	31 pm. ..	32 pm. ..	par	9 pm.
North Staffordshire	4½ pm. ..	4½ pm. ..	1½ dis. ..	½ dis.
South Eastern	7½ pm. ..	7½ pm. ..	9½ dis. ..	3½ dis.
South Western	23 pm. ..	28½ pm. ..	5½ pm. ..	9½ pm.
York and North Midland	44 pm. ..	45 pm. ..	16½ pm. ..	22 pm.
Boulogne and Amiens	2½ dis. ..	2½ dis. ..	7 dis. ..	6 dis.
Northern of France	5½ pm. ..	6 pm. ..	½ dis. ..	1½ pm.
Paris and Lyons	½ pm. ..	½ pm. ..	6 dis. ..	4½ dis.

The Bank of England returns have, as may be expected, shown the largest fluctuations. The changes indicated on a comparison of the weekly returns for the first week in the present and the last year, will be seen from the following figures:—

	At Jan. 1, 1848.	At Jan. 2, 1847.
Circulation (including Post Bills)	£18,730,354 ..	£20,932,314
Bullion in both departments	12,404,250 ..	14,951,572
Public deposits	9,011,568 ..	9,990,624
Other deposits	8,523,108 ..	7,903,959
Rest	3,639,863 ..	3,469,857
Seven day bills	805,364 ..	901,139
Other securities	16,989,221 ..	15,071,820
Reserve of notes	7,865,830 ..	8,227,085
Government securities in banking department	11,064,422 ..	12,826,362

As regards the Stock of Bullion—the lowest point that the bullion reached during the crisis was on the 23rd October, and the following shows the progressive increase from that date :—

1847.	23rd October—Amount of specie in the Bank	.....	£8,312,691
„	30th October—Increase of specie in the Bank	.....	126,183
„	6th November, ditto ditto	.....	290,677
„	13th November, ditto ditto	.....	528,969
„	20th November, ditto ditto	.....	758,437
„	27th November, ditto ditto	.....	515,986
„	4th December, ditto ditto	.....	499,656
„	11th December, ditto ditto	.....	393,577
„	18th December, ditto ditto	.....	565,200
„	25th December, ditto ditto	.....	245,150
1848.	1st January, ditto ditto	.....	167,724
„	8th January, ditto ditto	.....	174,111
„	15th January, ditto ditto	.....	245,241

Bullion in the Bank at 15th January £12,823,602

Being an increase of £4,510,911 in the space of only twelve weeks.

These figures show very clearly the violent changes that have taken place in the condition of the money market, and which have been noticed in our pages from time to time as they occurred. The following particulars of the comparative prices of our staple productions and articles of import will show the severity of the monetary crisis we have passed through in another form.

The Cotton Trade has suffered greatly from various causes. In addition to the losses occasioned by the high rates of discount, the uncertainty respecting the condition of the crop in America has very much increased the difficulties of the trade. A well-informed authority says :—“Consistently with the progressive development of the difficulties of the year, a review of prices shows us that the highest obtainable rates were current in the month of January, 1847. Still, under the influence of limited stocks, and the expectation of small supplies, an arduous struggle was carried on between importers, speculators, and the trade, even to a period so late as the end of August, when it became apparent to all that the difficulties of manufacturers were too great to admit of any other course than a greatly reduced consumption. We consequently find that from this period prices continued, with but few alternations, gradually to decline until the end of November, a fall of $2\frac{1}{4}d.$ per lb. on the most current qualities of Bowed and Orleans being submitted to, middling cotton of these descriptions being respectively at $4\frac{1}{2}d.$ to $4\frac{1}{4}d.$ and $4\frac{3}{4}d.$ to $4\frac{1}{4}d.$ per lb. From this point there has been, in these qualities, a rally of fully $\frac{1}{4}d.$ per lb., the decline having induced a somewhat increased demand, and there appearing also no prospect of our

receiving any but a very moderate supply for a month or two to come."

The following have been the prices of "Fair Uplands" cotton during each week in 1846 and 1847. It will be found useful hereafter for reference :—

	January.	February.	March.	April.	May.	June.
1847..	8 15 22 29	5 12 19 26	5 12 19 26	2 9 16 23 30	7 14 21 28	4 11 18 25
	7½ 7 7 7	6½ 6½ 6½ 6½	6½ 6½ 6½ 6½	6½ 6½ 7½ 6½ 6½	6½ 6½ 6½ 6½	6½ 6½ 7 7½
1846..	9 16 23 30	6 13 20 27	6 13 20 27	3 10 17 24	1 8 15 22 29	5 12 19 26
	4½ 4½ 4½ 4½	4½ 4½ 4½ 4½	4½ 4½ 4½ 4½	4½ 4½ 4½ 4½	4½ 4½ 5 4½ 5	5 5 5 4½

	July.	August.	September.	October.	November.	December.
1847..	2 9 16 23 30	6 13 20 27	3 10 17 24	1 8 15 22 29	5 12 19 26	3 10 17 24 31
	7½ 7½ 7½ 7½ 7½	7½ 7½ 7½ 7½	7½ 7½ 6½ 6½	6½ 5½ 5½ 5½ 5½	5½ 5½ 5½ 5½	5 4½ 4½ 4½ 4½
1846..	3 10 17 24 30	7 14 21 28	4 11 18 25	2 9 16 23 30	6 13 20 27	4 11 18 24 31
	4½ 4½ 4½ 4½ 4½	4½ 5 5 5 5	5½ 5½ 5½ 5½	5½ 5½ 5½ 5½ 6	6 6 5½ 5½	6½ 6½ 7½ 7½ 7½

We have inserted, in another page, a full report of the state and prospects of the cotton trade, and need not, therefore, refer to it more particularly in this article.

In Colonial Produce of every description the depreciation in price which has taken place during the year has been greater than for any time within our memory. The heavy failures, including that of the house of Trueman and Cook, and of the firms of high standing connected with the Mauritius and West Indian trades, have greatly increased the pressure, and colonial property has been sacrificed at ruinous quotations for ready money. The following list of a few articles will sufficiently point out what has occurred :—

	January, 1847.	December, 1847.
Sugar, West Indian, per cwt.	44s. to 54s. . .	34s. to 46s.
Ditto, Mauritius, per cwt.	35s. to 55s. . .	28s. to 45s.
Coffee, Ceylon, per cwt.	40s. to 41s. . .	33s. to 34s.
Rice, East India, per cwt.	17s. to 21s. . .	8s. 6d. to 16s.
Tea, Congou, per lb.	9d. to 2s. 0d. . .	8d. to 1s. 8d.
Ditto, Twankay, per lb.	9d. to 1s. 6d. . .	7d. to 1s. 2d.

In the annual report of an experienced firm in the Sugar Trade, we have the following table of prices, and commentary on the condition of the trade and its effects upon monetary affairs. The table is computed from business actually done in the first week of each month. A careful examination of it will show discrepancies which appear almost paradoxical. These discrepancies are, however, simple historical truths, and rightly considered, will not only lead to a correct judgment of the past, but serve as a guide and beacon for the future. The date, Jan. 22, has been

intercalculated, because on that day sugar reached its highest point. The *Gazette* averages are the prices in bond.

	West India.				Mauritius.				East India.			
	bro	good	Gazette		bro	fl gr	Gazette		bro	wh	kh	Gazette.
January	45	53	34 24	...	40	48	35 4	...	37	56	39	32 9½
January 23	48	55	...	...	44	54	...	...	40	58	40	...
February	47	54	37 0	...	44	52	37 6½	...	40	57	39	37 6½
March	47	53	35 24	...	42	50	34 6½	...	40	55	38	37 11½
April	44	51	33 1½	...	42	49	32 7	...	39	54	38	35 4½
May	42	50	30 4	...	38	47	26 8	...	38	52	36	34 5½
June	39	46	28 9½	...	38	46	28 6½	...	38	52	35	33 3½
July	37	45	25 24	...	37	45	29 8	...	35	52	34	33 7½
August	36	45	27 04	...	37	45	31 8	...	35	52	34	26 0
September	36	45	26 10	...	34	45	24 8½	...	34	52	33	24 7
October	35	44	24 7½	...	33	43	23 1½	...	34	52	31	29 11½
November	34	42	22 9½	...	30	40	21 3½	...	31	49	30	23 6
December	33	43	23 8½	...	29	40	22 2½	...	31	49	29	25 10½

The lowest kinds of sugar are purposely excluded from the above table, the importations of them having been in such quantities and under such circumstances as to lead to the inference, that they were operations altogether beyond a regular course of business.

On the opening of the markets on the 5th January, a rapid rise in the price of corn—the transmission of orders to the United States, and to the north of Europe, for the purchase of cereal productions of every description—the avowed expectation, in authoritative quarters, that wheat would rise to a famine price; and the necessary results, the exportation of large quantities of bullion, and scarcity at home, did not prevent a most vigorous demand for sugar of every description; and the consequence was, that prices rose from day to day, until, on the 22nd of the same month, prices saw their maximum. From that day until a month ago prices receded, and now remain steady at the extreme depression, with little prospect of either any sudden or extensive rise or fall.

In examining the table, it will not fail to be observed, that strong brown sugars maintained in the early part of the year a disproportionally high price. This was no doubt owing to an expectation prevailing in many quarters that sugar would be allowed to be used in the manufacture of spirits and fermented liquors, and that the permission would be largely acted upon.

Upon these expectations, many speculative purchases of sugar were made, which had the double effect of seriously injuring not only the immediate speculators, but also, by unnaturally raising the prices of low strong sugar, of encouraging the importations of descriptions totally unfit for the market, to the ruin of many of the shippers and their connexions.

TEA.—Stock of Congou at the end of December for the last five years, with the price of common.

	Stock.		Price per lb.			
	s.	d.	s.	d.	s.	d.
1843	28,316,300	..	1	1½	to	1 5
1844	27,424,000	..	0	11	to	0 11½
1845	30,042,000	..	0	9	to	0 9½
1846	31,351,000	..	0	0	to	0 9½
1847	33,391,000	..	0	8	to	0 8½

The total deliveries of Tea to the 16th of December show an increase on the last year's of 421,000lbs. only. Prices at the close of the last four years were as follows:—

		Congou.						Twankay.					
		s.	d.		s.	d.			s.	d.		s.	d.
1847	..	0	8	to	1	8	..	..	0	7	to	1	2
1846	..	0	9	to	2	0	..	..	0	9	to	1	6
1845	..	0	8½	to	2	3	..	..	1	1	to	2	0
1844	..	0	10½	to	2	3	..	..	1	2½	to	2	4

COFFEE.—For the first three months last year the value of this article became gradually enhanced, as during that time stocks continued to fall off, and on some descriptions of Plantation Ceylon the advance amounted to 8s. and 10s. per cwt. Native sorts, however, did not exhibit the same improvement, good ordinary (which was quoted at the end of 1846 at 42s.) having only risen to 44s. per cwt. Since March last the market has been very much depressed, and prices have been continually giving way, and good ordinary native would not now fetch more than 33s. to 34s. per cwt., showing a decline since March of 10s.; prices of plantation kinds have receded to a much greater extent. The stock of Ceylon shows an excess of nearly 29,000 bags over that of 1846. On that of Mocha there is a deficiency of 829 bales, and the stocks of foreign Coffee are generally very low.

The following table gives the imports and deliveries of Ceylon Coffee for home use and export, during the last four years, with the stocks on hand at the end of each year.

	1847.	1846.	1845.	1844.
Stock Bags	120,117	91,529	81,425	69,187
Imported.. „	180,312	141,086	121,562	111,077
Home Con. „	149,339	127,084	106,584	82,512
Export.... „	2,275	3,905	2,710	5,995

In **ANIMAL FOOD**, the following is a comparison of the average prices of butchers' meat per stone of 8lbs., each month of the year:—

	Beef.				Mutton.				Veal.				Pork.							
	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.				
January..	2	8	to	4	6	..	3	8	to	5	2	..	4	0	..	3	8	to	5	0
Feb.	2	10	4	4	..	3	6	5	0	..	4	2	5	4	..	3	6	5	0	
March ..	2	8	4	2	..	3	4	4	10	..	4	0	5	0	..	3	6	4	10	
April....	3	4	4	6	..	3	10	5	8	..	4	2	5	4	..	3	10	5	0	
May	4	2	5	6	..	5	0	6	4	..	4	4	5	4	..	4	2	5	4	
June	3	10	5	4	..	4	0	5	4	..	4	0	5	2	..	3	10	5	0	
July	3	8	5	0	..	4	0	5	4	..	4	4	5	4	..	4	0	5	0	
August ..	3	4	4	8	..	3	8	5	4	..	4	0	5	0	..	4	0	4	10	
Sept....	3	0	4	8	..	3	8	5	4	..	4	0	5	8	..	4	0	5	2	
Oct.	4	4	4	10	..	3	8	5	2	..	3	8	4	0	..	4	0	5	2	
Nov....	3	2	5	0	..	3	8	5	4	..	3	10	5	2	..	4	0	5	2	
Dec.	3	6	5	10	..	3	8	5	4	..	3	10	4	10	..	3	10	5	2	

In other articles of food the fluctuations in price which have occurred are familiarly known to every one. Bread has risen

from 6*d.* to 1*s.* 1*d.* per quartern loaf, and has again fallen to 6½*d.* The sudden changes in price in the corn trade led to the failures which commenced the crisis. The official quotations of the last six weeks' average, announced in the *Gazette*, give the price of wheat as being 53*s.* 1*d.* per quarter against 63*s.* 10*d.* for the corresponding period of last year.

MR. COBDEN ON THE FIXED PRICE OF GOLD.

The following correspondence has recently taken place, between Mr. Bennoch on the the part of the "Anti-Gold-law League," and Mr. Cobden, M. P. In addition to the letters below, Mr. Bennoch has addressed a further very long communication to Mr. Cobden, enforcing the statements in his previous letter, but for this we have not room.

MR. COBDEN TO MR. BENNOCH.

London, 18th Dec., 1847.—Dear Sir,—In reply to your note requesting an interview on the subject of the currency, I am sorry to say I am leaving town for Manchester, and shall not be able to see you. I suspect we have opposite opinions upon the currency, but to confess the truth I do not know what the plan is recommended by your "Anti-Gold-law League," or by the Birmingham school. Before any proposition can be made interesting to the public, it must be put in a simple, brief form. You speak of "free trade in gold" as one of your objects, but I consider the import and export of gold already free. Do not trouble yourself to write to me with any reasons in support of your plan, but if you can tell me, in the compass of a dozen lines, what your plan really is, I should be glad to have it; and I think I have given sufficient attention to the question to be able to form an opinion upon your proposed system.

I remain, &c., RICH'D. COBDEN.

P. S. Recollect, I want the plan in twelve lines, or rather, I wish to know your object. The Anti-Corn-law League stated its object in fewer words—"The total and immediate repeal of the corn laws, and the abolition of all protective duties."

MR. BENNOCH TO MR. COBDEN.

78, Wood-street, Monday, Dec. 20, 1847.—Dear Sir,—I have the honour to acknowledge the receipt of your note of the 18th, and, according to your desire, beg to enclose you our propositions, condensed as much as possible. I regret to find you are obliged to be absent from town so soon and so long, though I gather from your last, and from a previous note, that you would rather avoid a conference—I trust I misinterpret your language. The Anti-Corn-law League, by applying to a hungry man's stomach, and by the use of a terse epithet, could express its object in a few words, and win converts. The Anti-Gold-law League can only appeal to reason, and by a chain of arguments convince its auditory. It not only proposes the destruction of a bad system, but the construction of a better; therefore more space is necessary to explain its principles. There is one observation in your letter to which I must shortly refer. Alluding to a statement in my former note, expressing our desire for "free trade in gold," you observe, "I consider the export and import of gold already free;" from which I infer your opinion, that exclusion from

import and export duties constitutes the only freedom necessary to regulate the sale of commodities. The Anti-Gold-law League, on the contrary, conceive that so long as the Bank of England is by act of parliament compelled to buy all the gold presented to it at a fixed price, and at a fixed price obliged to sell all gold demanded of it—the trade in gold is not free. Suppose some gigantic corporation, on whom parliament had conferred certain exclusive privileges, were compelled to buy all corn presented to it at £3 17s. 9d. per quarter, and also obliged to sell it at £3 17s. 10½d. per quarter—whatever the amount of labour consumed in its production—would you consider the trade in corn free? Substitute gold for corn, and the illustration is complete.

Richard Cobden, Esq., M. P.

I am &c., FRANCIS BENNOCH.

The following are the propositions referred to :—

PRINCIPLES OF THE ANTI-GOLD-LAW LEAGUE IN LESS THAN TWELVE LINES, REASONING EXCLUDED.

SECTION FIRST.—ANTI-GOLD.—1. Our home trade should not be dependant on a foreign product as a medium of exchange. 2. Its so depending is the chief cause of fluctuation in prices, disastrous panics, and consequent national suffering. 3. Therefore we demand the abrogation of all acts of parliament which fix the price of gold, or make it the basis of, or an indispensable element in, our circulating medium of exchange.

SECTION SECOND.—PRO PAPER.—1. A paper currency under certain regulations is more economical and safer than gold. 2. There is no important function that gold money now performs in our home trade which paper money cannot perform better. 3. Therefore we advocate a paper currency as our internal circulating medium of exchange. These propositions we are prepared to establish, by fact and argument, to such as will listen. If legislators will not voluntarily and impartially listen, how can they believe? Public opinion works wonders.

F. BENNOCH.

FROM MR. COBDEN TO MR. BENNOCH.

Manchester, Dec. 21, 1847.—Dear Sir,—If you direct your good intelligence to the question with more study, I am sure you will see a fallacy in the idea that the price of gold is fixed at all in this country. It is merely weighed, assayed, and stamped as of a certain quantity and fineness, in the same way as has been the custom in all countries and in all ages. The Bank does not buy and sell gold in the common meaning of the words, it merely saves the merchant or the other owners of the metal the trouble of going to the Mint to have it weighed, assayed, and stamped, and takes 1½d. per oz. for the operation. Any body can take gold to the Mint and have it coined into sovereigns; but that does not alter the value of the gold. As the Bank of England can also have its gold coined at the Mint, it can neither lose nor gain by the operation of “buying gold,” as it is called. You are, I presume, aware, that in America, France, Russia, and every other country, the metals are coined in the same way, an ounce being divided into certain coins of invariable quantities and fineness. You say “suppose some gigantic corporation, on which parliament had conferred certain exclusive privileges, were compelled to buy all corn offered to it at £3 17s. 9d. per quarter, and were obliged to sell it at £3 17s. 10½d., whatever the amount of labour condensed in its production, would you consider the trade in corn free?” This is not the question at issue. The question is, whether the corn should be subjected to an invariable measure of quantity? For this purpose the law has fixed on the imperial bushel, which contains a fixed and invariable quantity. And in the case of gold it has done no more than fix in coins the weight and fineness of gold. I will not follow the subject further, for I am sure, if you bring your mind to a re-consideration of the point, you will understand it perfectly.

I remain, &c., RICHARD COBDEN.

A Chronological History of the Panic.

LIST OF FIRMS WHICH HAVE SUSPENDED PAYMENT.

In order to preserve, in a convenient form for reference, an account of the principal events of the late crisis, and of the numerous mercantile embarrassments by which it was attended, we avail ourselves of the carefully-compiled digest given in the *Morning Post*, of the 13th January last, which has been revised and completed for our present number by the gentleman by whom it was originally prepared. The value of a record of this kind is very evident. It would have facilitated reference had the names been given alphabetically; but as one of the chief objects in view was to show the "progress" of the crisis, and thereby exhibit more palpably, in conjunction with a few connecting remarks, "its form and pressure," an adherence to dates, so far as they could be ascertained, was indispensable. As regards the London houses, the amount of the liabilities and assets is taken for the most part from official statements. In all other cases, where figures appear, they have been taken from the most authentic-looking sources; and, where no figures are given, such details have either not been supplied, or stated so loosely as to render their omission advisable. A glance will suffice to show that London, Liverpool, Manchester, and Glasgow have suffered the most. The numbers are—London 80, Liverpool 48, Manchester 32, and Glasgow 32.

Date of Failure.	Liabilities.	Assets.
1847, AUGUST.	£	£
6. Charles Douglas and Son, corn merchants, London.. .. .	250,000	
A first dividend of 3s. per pound is understood to be in the course of payment.		
10. Lesley Alexander, and Co., corn merchants, London.. .. .	573,502	231,869
It was expected this estate would have been wound up under inspection; but in consequence of dissensions amongst the creditors a fiat in bankruptcy was taken out on the 10th January, 1848, and the firm made bankrupts.		
11. Coventry and Shepherd, corn merchants, London.. .. .	200,000	
King, Melvil and Co., corn merchants, London.. .. .	200,000	
13. Giles, Son, and Co., corn merchants, London.. .. .	152,824	90,911

[Notes.—The returns of the Bank of England, for the week ending 3rd July, exhibit the first indication for the previous two months, of serious retrogression, the returns since the 8th of May having, with one trifling exception, exhibited a continued increase in the amount of bullion. On the 17th, the return exhibits a decline under almost every item. In the week ending

the 7th of August, the Bank declined to discount under 5½ per cent. This was understood to be imperative, owing to the commencement of the shipment of gold to the United States, and to Germany and France. Generally speaking, the difficulties which led to the failure of the houses engaged in the corn trade arose from the difficulty of obtaining advances upon cargoes, in consequence of the high rate of discount combined with the fall in prices which had taken place, owing to the prospect of an abundant harvest.]

	Liabilities. £	Assets. £
21. W. R. Robinson and Co., merchants, London.. .. .	94,362	100,390
23. Castellain, Sons, and Co., merchants, London.. .. .	69,651	33,603
27. W. and J. Woodley, corn merchants, London.. .. .	99,509	90,845

Mr. Robinson, the senior partner, was the governor of the Bank of England. In connexion with this it has been remarked that, within the last eighteen years, no less than six parties who have been either actual or past occupants of that office have failed.

The estate to be wound up under the inspection of Mr. Furse, Mr. Meinertzhagen, and Mr. Bordier.

It is mentioned that a few months before the failure, Mr. Woodley intended to retire, with an ample fortune, from business. His difficulties are attributable to the circumstances of a party who was sent to the United States having exceeded his instructions in the way of purchases.

[Notes.—These failures have a disastrous effect upon commercial credit, scarcely a day passing without unfounded rumours about the failures of first-rate houses. In Lombard-street, bills having more than two or three months to run cannot be discounted at less than from 6 to 8, or even 10 per cent.]

SEPTEMBER.

4. T. Booker, Sons, and Co., corn merchants, London.

[Notes.—The Directors of the Bank of England intimate their readiness to make advances upon stock and Exchequer Bills till the 20th October, at 5 per cent. Many railway companies who are in the market as borrowers, find difficulty in obtaining money at 5 per cent.]

10. T. Usborne and Son, corn merchants,

London.. .. . 59,457 33,527

The creditors have agreed to accept 11s. in the pound, payable by instalments. The firm is said to have kept itself free from speculation of every kind, and that its failure is owing to its claims on the house of Lesley, Alexander & Co. having been dishonored.

Hastie and Hutchinson, corn merchants,

London.. .. . 50,451 38,796

The creditors have agreed to accept 15s. in the pound, payable by instalments. The firm is said to have made bad debts to the extent of £28,000 since the commencement of the "corn panic."

11. A. A. Gower, Nephews and Co., Mauritius merchants, London .. .

.. . 450,832 112,831

The Mauritius property, as in similar cases, swallows up the capital of the house. The cash advances on that island alone are stated at £246,456, and other indirect payments at £20,285 more. Securities were obtained on estates for these advances, but in actual circumstances they are of little value comparatively, hence the small amount of the estimated assets.

SEPTEMBER.

11. Alison, Cumberlege, and Co., South American merchants, London.

Liabilities.	Assets.
£	£

14. Sanderson and Co., bill brokers, London. . 168,420

Arrangements have been made for payment in full, by instalments. This failure caused great consternation, the house being nearly as important as that of any London banker.

17. Reid, Irving, and Co, Mauritius merchants, London 660,432 846,756

In reference to the assets, it is explained that owing to the absence of precise information as to what the Mauritius debts and estates are likely to yield, the total of these assets (£559,149) is put down without deduction. The firm were the agents of the Spanish and Venezuelan Governments. Sir John Reid was Deputy Governor of the Bank in 1837, Governor in 1839, and was a Senior Director at the time of the failure. The affairs are to be wound up under the inspection of Mr. Baring, Mr. Blyth, and Mr. McChlery.

25. Cockerell, Larpent, and Co., East India merchants, London 619,393 809,254

The assets are dependant upon the state of matters in Calcutta. The affairs are to be wound under the inspection of Mr. S. Gregson, Mr. E. Mills, Mr. J. Horsley Palmer, and Mr. J. D. Campbell. Sir George Larpent was a candidate for the representation of the City of London, on the free trade interest, at the general election, which occurred in July.

27. Cockburn and Co., army agents and bankers, London.
Cockburn and Co., wine merchants, London and Oporto.

- M. L. Bensusan and Co., African merchants, London 50,016 3,951

This firm shows a less favourable balance sheet than any of the others. The affairs are now in the Bankruptcy Court.

28. Perkins, Schlusser, and Mullens, East India and Baltic merchants, London . . 127,327 136,048

To be wound up under the inspection of Mr. J. Tritton, Mr. W. E. Few, and Mr. E. Brandt. A dividend has been announced. The firm is to be dissolved.

29. Fry, Griffiths, and Co., East India and colonial brokers, London 90,979 19,231

30. Lyall, Brothers, and Co., East India merchants, London 340,887 151,556

The assets do not include what may be realised from the house of Lyall, Matheson, and Co., of Calcutta.

- Samuel Phillips and Co., East India merchants, London 101,474 100,075

- W. Tulloch Frazer, East India merchant, London 33,665 40,297

To be wound up under the inspection of Mr. Mackay, Mr. Felgate, and Mr. Blackmore.

- E. Robinson (deceased), Mauritius merchant, London 100,000

- Burnell and Co., coal agents, London.

	Liabilities. £	Assets. £
Frazer, Neilson, and Co., merchants, London.	150,000	
A. M'Donald and Co., South American merchants, London.		
J. Shewell and Son, money dealers, London.		
[Note.—The list which follows is for August and September.]		
W. Atherton, merchant, Liverpool . .	30,000	
H. and G. Gregg, corn merchants, Liverpool.		
J. and C. Kirkpatrick, provision brokers, Liverpool	60,000	
Lyon and Fynney, corn merchants, Li- verpool.	100,000	
J. and F. O'Neal and Co., corn merchants, Liverpool	60,000	
E. P. Parry, wholesale grocer, Liverpool.		
Perrin and Co., merchants, Liverpool.		
W. Rowett and Co., merchants, Liverpool	40,000	
W. Steel and Co., merchants, Liverpool.		
Watson, Brothers, and Co., merchants, Liverpool	200,000	
Wilson, Nash, and Co., merchants, Li- verpool.		
J. A. Armstrong, cotton merchants, Man- chester	80,000	
Burts, Watson, and Co., merchants, Man- chester and Leeds	100,000	
E. M. Cooper and Co., merchants, Man- chester.		
F. H. Glover, merchant, Manchester.		
J. Guest, cotton spinner, Manchester . .	75,000	
Stocks and Tait, bleachers, Manchester . .	30,000	
Sampson, Langdale, and Co., merchants, Stockton-on-Tees	100,000	
Sanders, Wetherell, and Co., merchants, Stockton-on-Tees	40,000	
Westlake and Co., corn merchants, Southampton.		
D. and A. Denny, corn merchants, Glasgow	300,000	
Gemmel, Brothers, East India merchants, Glasgow	200,000	
M. Perston, merchant, Glasgow.		
Watson, M'Knight, and Co., merchants, Glasgow	200,000	
Gray and Roxburgh, merchants, Greenock.		

	Liabilities. £	Assets. £
Nielson and Co., spinners, Kirkland, Fifeshire	70,000	
Dennison and Co., provision merchants, Limerick.		
A. Dickson and Co., corn merchants, Belfast	200,000	
Forbin, Janson, and Co., sugar refiners, Marseilles	200,000	
J.H.Barthlingth, merchant, St. Petersburg.		
Crop and Marchant, merchants, Hamburgh	50,000	
A. and A. Custò, merchants, Genoa ..	80,000	
Eude Bourdell, banker, Honfleur.		
Excels and Co., corn merchants, Venice.		
Cozle and Co., steam mill proprietors, Venice	30,000	
Frazer and Co., merchants, Antwerp ..	65,000	
A. Roux, merchant, Paris ..	100,000	
Prime, Ward, and Co., bankers, New York	200,000	

[Notes.—A deputation of coal-owners, merchants, and others of Newcastle-upon-Tyne, waited upon Sir Charles Wood, the Chancellor of the Exchequer, at Hickleton, on the 21st September, and represented the perilous state of the country as regarded monetary affairs, but the interview proved fruitless. Resolutions are passed at Birmingham, Manchester, Glasgow, and other places, suggesting to the directors of railways the propriety of postponing calls. It is calculated that the calls payable in October amount to £2,700,000. The Bank of England extend their accommodation to bills having more than thirty days to run.]

OCTOBER.

4. Rougemont, Brothers, merchants, London.

John Thomas, Son, and Lefevre, merchants, London

401,760 441,792

J. F. Van Zeller, Portuguese merchant, London.

[Notes.—The money pressure is largely increased. The Bank directors rescind their resolution to discount bills having to run from 30 to 60 days at 5½ per cent., and decline to renew a large amount of loans upon stock and Exchequer-bills. In consequence of this refusal, a large amount of stock and Exchequer-bills is thrown upon the market. The current rate of interest for loans upon the security of stock is 7 per cent. and upwards.]

9. Rickards, Little, and Co., East India merchants, London

144,676 50,430

The firm sustained losses of £50,000 within 18 months. The affairs are to be wound up under the inspection of Mr. J. Gurney Hoare, Mr. J. J. Cummins, and Mr. W. Prinsep.

E. Bernoulli, Levant merchant, London.

Mansel J. Soares, Portuguese merchants, London.

[Note.—On the 6th instant the directors relaxed a little, and continued one-half of the loans which fell due on that day. This relieved the pressure, and the rate of interest for loans upon the security of stock and Exchequer-bills did not exceed 10 per cent. The private bankers decline to discount bills of exchange.]

- | | Liabilities.
£ | Assets.
£ |
|---|-------------------|--------------|
| OCTOBER. | | |
| 11. J. and W. Morley, warehousemen, London 119,731 | 89,216 | |
| An offer to pay 11s. in the pound by instalments has been accepted. There are nearly 400 creditors. | | |
| 12. W. Nash, warehouseman, London. | | |
| 13. Barclay, Brothers, and Co., Mauritius
merchants, London | 389,504 | 398,491 |
| Owing to the position of the Mauritius property, it is apprehended that the estate will not yield more than 14s. in the pound. Mr. Barclay's own relations are creditors for upwards of £100,000 for money advanced. The estate is to be wound up under the inspection of Mr. J. Gurney Hoare, Mr. J. Henry Pelly, and Mr. K. D. Hodgson. Mr. Barclay was Member for Sunderland, and accepted the Chiltern Hundreds after the stoppage. | | |
| 15. Laurence, Phillips, and Sons, East India
merchants, London | 18,368 | 64,840 |
| 16. [Note.—At one period during the week the pressure was nearly as severe as any that had occurred, and for a time Reduced Three per Cents. were offered at 79½. The actual charge by the bank for accommodation is 7½ to 9½ per Cent.] | | |
| 15. Abingdon and Wantage Bank (Knapp and Co.), Abingdon. | | |
| This was the first bank which stopped. It was established in 1802; Mr. Henry Knapp was the only partner. The bank issued its own notes to the extent of £20,316. There are scarcely any assets. A commission in bankruptcy has been issued. | | |
| 18. Royal Bank of Liverpool, Liverpool. | | |
| This bank was established in 1836. The number of partners at the date of the last return was 250; the amount of paid-up capital £646,000. The immediate cause of the stoppage was the absorption of a large portion of the paid-up capital to the house of Barton, Irlam, and Higginson. After re-adjusting its constituency, the bank resumed business on the 1st of December. | | |
| 20. Liverpool Banking Company, Liverpool. | | |
| This stoppage was owing to a run occasioned by the failure of the Royal Bank. The bank was established in 1836, with about 150 partners, the shares being £20 each, of which £10 was paid up. It is not expected that the creditors will lose. | | |
| 21. Newcastle Union Bank, Newcastle. | | |
| This bank was commenced by Messrs. Chapman, and continued as a private bank until 1836, when it was converted into a Joint-stock Bank, with a paid-up capital of £152,400. According to the official return, the circulation of notes for the week ending 9th October, averaged £75,000. The immediate cause of the disaster was an extensive run upon the deposits. Arrangements are in progress for re-commencing business. | | |
| 25. North and South Wales Bank, Liverpool 610,000 | | |
| Formed in 1836; the paid-up capital amounts to £600,000. The cause of the stoppage was a run upon the deposits in consequence of the stoppage of the Liverpool Royal Bank and the Liverpool Banking Company. The bank had twenty branches in Wales. It is expected that every claim will be paid in full, and business resumed. | | |
| 22. Scholes and Co., bankers, Manchester. | | |
| Established in 1790. The names of the partners, as published in the official return, are Thomas Seddon Scholes, and Joseph Seddon. The concern is to be wound up under inspection. Two dividends of 6s. each have already been paid. | | |

OCTOBER.

18. The Oldham Banking Company, Oldham.

This bank has met all demands upon it. The immediate cause of stoppage is understood to have been the holding of bills to some considerable amount of De Jersey and Co.'s upon John Thomas, Son, and Lefevre. The capital did not exceed £20,000.

[Note.—The alarm occasioned by the failures of the large banks adds to the previous pressure, and causes a decline of two per cent. in the public securities.]

27. W. B. Brodie and Co., bankers, Salisbury.

The partners, Mr. W. B. Brodie and Mr. G. C. Brodie, have been made bankrupts. The creditors will be heavy losers.

27. W. B. Brodie, and Thomas King, bankers, Shaftesbury and Hindon.

In consequence of the satisfactory statement made by Mr. King, the creditors have agreed to allow time. The firm was connected with the preceding one. Mr. King has made a commencement with 5s. in the pound.

NOVEMBER.

	Liabilities.	Assets.
	£	£

2. Adams, Warren, and Co., bankers, Shrewsbury and Market Drayton 60,000 30,000

The partners are Mr. C. M. Adams, and Mr. C. Warren. It was a bank of issue, with a fixed circulation of £9,700. A fiat in bankruptcy has been issued.

4. The Honiton Old Bank—Flood, Flood, and Co., Honiton 90,000

The firm consisted of two partners, Mr. C. S. Flood and Mr. H. B. Lott. Business was carried on under the title of Flood, Flood, and Co. The firm have been made bankrupts. It is feared that the failure will prove a serious loss to the district.

18. The Bridport Bank—Messrs. Gundry, Bridport.

The partners are Mr. S. Gundry and W. E. Gundry. A fiat in bankruptcy has been issued.

Gibson and Sturt, bankers, St. Alban's.

The partners are Mr. Edward Gibson and Mr. George Sturt. It was a bank of issue, but the amount was only £2,333.

The following stoppages occurred in October and November, 1847 :

F. Barnes and Co., Hardwaremen, London.		
Scott, Bell, and Co., East India merchants, London.		
J. P. Howard and Co., colonial brokers, London	75,000	100,000
W. T. Clagett, American merchant, London.		
S. J. Hadlow, Stock Exchange, London.		
R. R. Oakley, Stock Exchange, London.		
J. P. Cruikshank and Co., West India merchants, London.		
C. Sutherland and Co., colonial brokers, London.		
Boyd and Thomas, merchants, London.		
Brown, Todd, and Co., provision merchants, Liverpool.		
Dalglish and Co., merchants, Liverpool and Glasgow.		

V. Higgins and Sons, iron merchants, Liverpool.
 Lake, Calrow, and Co., East India merchants, Liverpool.
 T. and H. Murray, India merchants, Liverpool.
 W. Maury, American merchant, Liverpool.

This firm resumed business, its difficulties being only temporary.

Mocatta and Son, merchants, Liverpool.
 W. Pearce and Co., merchants, Liverpool.
 Platt, Hammill, and Co., East India merchants, Liverpool.
 W. Steele and Son, soap boilers, Liverpool.
 M. S. Synnot, shipowner, Liverpool.
 W. and T. Tomlinson, corn merchants, Liverpool.
 Brooke and Wilson, shipowners, Liverpool.
 Gazebrooke and Co., iron merchants, Liverpool.
 W. Jones and Co., merchants, Liverpool.
 Livingstone and Co., East India merchants, Liverpool.
 James Logan, Canadian merchant, Liverpool.
 M'Tear, Hadfield, and Co., shipbrokers, Liverpool.
 Molyneux and Hulbert, tea brokers, Liverpool.
 R. Taylor, soap boiler, Liverpool.
 Warden and Co., merchants, Liverpool.
 Berey, Young, and Co., cotton brokers, Liverpool.
 T. R. Tebbutt, soap boiler, Manchester.
 Watson, Elder, and Co., merchants, Manchester.
 Wilson and Ebor, spinners, Manchester.
 Barker, silk manufacturer, Manchester.
 R. and S. Farbridge, Russian and East Indian merchants,
 Manchester.
 R. Gardner, spinner, Manchester.

This firm resumed business.

Gael and Co., spinners, Manchester.
 Martin and Hartwright, yarn merchants, Manchester.
 Swainson and Birchwood, manufacturers, Manchester.
 E. and J. Andrew, calico printers, Manchester.
 Bradley and Parker, stockbrokers, Manchester.
 E. M. Broadhurst, corn merchant, Manchester.
 De Jersey and Co., merchants, Manchester.

[Installments are in course of payment amounting to 10s. in the pound. From 4s. to 5s. additional is expected.]

Geisler, Weber, and Co., merchants, Manchester.
 James, Nephew, and Co., merchants, Manchester.
 E. Potter and Co., agents, Manchester.
 Render and Milner, agents, Manchester.
 Ridehalgh and Co., worsted spinners, Halifax.
 Southam, cotton spinner, Ashton.
 Gellows and Co., cotton spinner, Preston.

	Liabilities.	Assets.
Rogers and Brierley, cotton spinners, £	£	£
Blackburn	40,000	53,000

[Of the assets, £48,000 has been expended on buildings and machinery.]

M'Gregor, Brownrigg, and Co., merchants, Glasgow.

Reid, Robinson, and Co., merchants, Glasgow.

A. and J. Wingate, calico printers, Glasgow.

Cowan, Smith, and Co., corn agents, Glasgow.

Kilgour and Leith, West India merchants, Glasgow.

Pearson, Wilson, and Co., merchants, Glasgow.

Molley and Mergin, cattle dealers, Dublin.

Thomas Murphy, provision merchant, Waterford.

White and Co., corn merchants, Waterford.

Legvelle and Co., bankers, Brussels.

Pehmoller and Tollens, merchants, Hamburgh.

L. W. A. Jacobs, merchant, Hamburgh.

Rosing and Co., merchants, Bremen.

Wittenstein and Co., spinners, Ellerfield.

E. Alessio and Co., corn merchants, Genoa.

G. Calcagno, money lender, Genoa.

L. Arbid and Co., merchants, Leghorn.

Morfeurgo and Tedschi, merchants, Leghorn.

D. Pegra Guttiars, merchant, Leghorn.

J. L. Valetin, merchant, Leghorn.

Napoleon Bertrand, merchant, Courtray.

Venein and A. Giells, manufacturers, Courtray.

C. Riva and Co., merchants, St. Petersburg.

Vermechren, merchant, St. Petersburg.

J. Vanzeller and Sons, merchants, Lisbon.

M. Ventura, merchant, Venice.

[Note.—A peculiarly important occurrence falls now to be noticed ; the virtual suspension of the Bank Charter Act of 1844.

The events preceding this important step are thus described in the *Bankers' Magazine* for November, 1847 : " A deputation of merchants from Liverpool first waited on the ministry, and presented a memorial which stated :—

" ' Your lordship may depend upon us when we assure you that if the present pressure be not relieved, merchants and other traders, of undoubted respectability, who are not only solvent, but rich, and who have merchandise and bills which, under ordinary circumstances, would afford easy and ample means of meeting engagements, will inevitably be compelled to stop payment.'

" The reply of the Premier and the Chancellor of the Exchequer to this memorial was of the usual official character ; and it appeared almost certain that Government did not intend to interfere. The state of the country grew more alarming, and the pressure on the London bankers assumed a degree of severity almost unexampled. A heavy drain for bullion for home use by the different country banks set in against the Bank of England, and the crisis assumed a character too serious to be disregarded. An earnest appeal was made to the bankers and merchants of London by the public press that they should wait on the ministry and explain the actual condition of affairs ; and ultimately, in accordance with this suggestion, Mr. Glyn, M.P., Mr. Masterman, M.P., Mr. Samuel Gurney, and other influential gentlemen, ten in number, waited upon ministers, on Saturday (the 23rd) and made a

statement, which seemed at length to convince the ministry that they could not safely disregard the appeal addressed to them; and that they must endeavour to restore confidence by taking off the restriction under which the Bank laboured. They accordingly agreed to bring the subject under consideration immediately, at a Cabinet Council, which was held at Lord John Russell's official residence in Downing-street, at three o'clock on Sunday, and the deliberations lasted till past five o'clock. This was done, and on Monday, the 25th October, the Bank Restriction Act was virtually repealed by the official communication from the Premier and the Chancellor of the Exchequer, addressed to the Governor and Deputy-Governor of the Bank of England, which is given in the *Bankers' Magazine* for November, 1847.

"The immediate effect of this important, and, we may add, unexpected announcement, was to improve the value of the public funds nearly five per cent. within three days."

In addition to these details, it may be added that Sir Robert Peel, having arrived on Friday night at Whitehall Gardens, on his way to visit the Queen, he was waited upon by Sir Charles Wood, and they remained in conference till midnight. Twelve per cent. was charged by the Bank for loans on the security of Consols and Exchequer-bills, and the discount on bills ranged from 10 to 12 per cent. It is said that the Bank were borrowers of money at from 7 to $7\frac{1}{4}$ per cent.

NOVEMBER.		Liabilities.	Assets.
		£	£
2.	Coates and Hillard, American merchants, London	72,057	35,464

It is said that, during the eighteen years this firm was in business, no balance was struck. Owing to the circumstance of a large portion of the assets having to be recovered in America, a fiat in bankruptcy has been issued.

L. S. Curtis, hide factor, London.

[Note.—At a dinner given by the East India Company to the Earl of Dalhousie, the new Governor-General of India, Lord John Russell said that he did not believe there was anything in the present condition of the country which could induce the most timid statesman to despond. This remark became a fruitful subject of comment out of doors; and the prevailing impression seemed to be that his lordship's temperament was ultra-sanguine.]

6.	Judah Cohen and Sons, West India merchants, London	52,000	
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A fair liquidation is expected.

8.	Thorburn and Co., East India merchants, London	109,139	139,604
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To be wound up under the inspection of Mr. A. Mathewson, M.P., Mr. C. Dent, and Mr. C. Joyce.

	Johnson, Cole, and Co., East India merchants, London	112,666	71,844
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In the assets the Mauritius property is only estimated at half its cost. The inspectors are Mr. G. H. de Russett and Mr. D. Davidson.

10.	Ryder, Wienholt, and Co., merchants, London	34,587	23,670
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To be wound up under the inspection of Mr. F. Newsam, Mr. J. Skilbeck, and Mr. L. Roussel.

12.	Abbott, Nottingham, and Co., warehousemen, London.		
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10s. in the pound is to be paid by instalments.

	Liabilities.	Assets.
15. Trueman and Cook, colonial brokers, £	£	
London	319,780	326,324
The difficulties of the house arose from large advances made to East India and Mauritius houses. The affairs are to be wound up under the inspection of Mr. Jos. Bates, Mr. H. D. Blythe, and Mr. E. Erichsen. A deed is to be prepared, covenanting to pay the creditors 20s. in the pound, by instalments. The original firm has been broken up into three others—Trueman and Rouse; Cook and Windsor; and the third is to be headed by Mr. Mason.		
16. R. Farrand, corn factor, London.		
22. J. and H. Reay, wine merchants, London	47,791	13,510
A. A. Lackersteen, East India merchant, London	178,115	80,742
Lackersteen, Crake, and Co., East India merchants, London	37,555	25,521
This firm made great exertion to sustain themselves till the arrival of the Indian mail, but the remittances then received were in bills on Cockerell & Co., and upon the Union Bank of Calcutta, whose drafts were refused by Glyn & Co. The two firms are connected.		
25. Tanner and Ward, leather factors, London	55,000	
28. Sargent, Gordon, and Co., produce brokers, London	150,000	
The cause of failure is said to be large advances to Lackersteen & Co., and other Indian and Mauritius houses.		
Leaf, Barnett, Scotson, and Co., Ware-housemen, London	85,575	89,079
In the circular which announced the stoppage the firm say, "The difficulty of the money-market, combined with the almost unexampled stagnation of trade, have forced us into this painful exigency."		
14. W. Abbot, Stock Exchange, London.		
A. Arkell, Stock Exchange, London.		
W. Eykin, Stock Exchange, London.		
J. H. Hawkins, Stock Exchange, London.		
Secretan and Capper, Stock Exchange, London.		
H. Turner, Stock Exchange, London.		
H. Whitmore, Stock Exchange, London ..	12,000	
J. William, Jun., Stock Exchange, London	20,000	
C. Young, Stock Exchange, London.		
Job Wright and Co., Russian merchants, London	600,000	800,000
The suspension was owing to the assets being locked up in the purchase of a mill in Russia.		
15. J. B. Brancker and Son, Brokers, Liverpool.		
Carter and Baines, merchants, Liverpool.		
Coleman and Todd, Sharebrokers, Liverpool.		
Hargreaves and Co., merchants, Liverpool.		
Ashburner, leather factor, Liverpool ..	30,000	
G. and J. Blake, soap boilers, Liverpool.	18,000	
J. Brownrigg and Co., East India merchants, Liverpool.		

A. E. Byrne, merchant, Liverpool.
 J. Edwards and Co., wool brokers, Liverpool.
 Ricardo and Harding, merchants, Liverpool.
 Ainsworth, Manchester.
 Coates, Hillard, and Co., agents, Manchester.
 P. Cowrill, calico printer, Manchester.
 Ewing, Anderson, and Aird, merchants, Manchester, Glasgow, and Calcutta.
 Z. Just, manufacturer, Manchester.
 Kershaw, Hillard, and Co., manufacturers, Manchester.
 Marsland, Veltman, and Co., manufacturers, Manchester.
 J. T. H. Pindleton, merchant, Manchester.
 J. P. Clarke, merchant, Leicester.
 W. H. Kaye, merchant, Huddersfield.
 Farthing, Son, and Co., merchants, Hull.
 Levett Norrison, manufacturer, Hull.
 J. Gales, ship-builder, Sunderland.
 R. Imreay, alkali manufacturer, Newcastle
 M. Walker, flax spinner, Leeds.

	Liabilities.	Assets.
	£	£
Campbell and Batty, agents, Glasgow ..	6,000	
D. M'Kenzie, jun., East India merchant, Glasgow.		
Ogilvie, Clarke, and Co., agents, Glasgow.		
Pattison and M'Gibbon, calico printers, Glasgow	14,000	
G. Young and Co., calico printers, Glasgow	16,000	
R. Buchan, broker, Glasgow.		
A. and J. Downie, wool merchants, Glasgow	170,000	
A. Rankin, West India merchant, Glasgow.		
D. Napier, ironfounder, Glasgow.		
Kantzon and Biel, merchants, Stockholm	6,000,000f.	2,500,000f.
N. Brebart, merchant, Amsterdam.		
Rotham and Co., bankers, Amsterdam.		
J. H. Rupe and Son, sugar refiners, Amsterdam	1,300,000fl.	100,000fl.

Their unfortunate position is ascribed to a fire which occurred in 1845.

Roothan and Co., bankers, Antwerp.
 Bonaffé and Co., merchants, Havre.
 C. Defosse and Noete, bankers, Brussels.
 Grosjean, Nephews, bankers, Brussels.
 De Wolf de Porlemont, seed-crusher, Alost.

Hennikine and Briart, bankers, Mons, Belgium.

The balance-sheet shows a considerable balance after paying all the liabilities.

Salvador Pacifico, merchant, Trieste.

Patengat and Co., corn merchants, Bayonne.

Riewit and Sangevelt, merchants, Rotterdam.

B. Rouffaer and Sons, merchants, Rotterdam.

Union Bank of Madrid (resumed business), Madrid.

This bank was obliged to suspend payments for a short time, in consequence of the fraud of one of its directors, who has been prosecuted.

Muir, Taylor, and Co., merchants, New York.

[On the 23rd November the Government withdrew its letter to the Bank of 25th October. The communication has already been given in the *Bankers' Magazine* for December, 1847. On the day preceding the receipt of this letter the Bank reduced its rate of interest from 8 to 7 per cent. No actual infringement of the Bank Charter Act having taken place, Ministers did not ask for a Bill of Indemnity; and contented themselves with proposing "That a select committee be appointed to inquire into the causes of the recent commercial distress, and how far it has been affected by the laws for regulating the issue of bank notes payable on demand." During the discussions to which this motion gave rise, Ministers claimed much credit for their letter to the Bank of the 25th of October, asserting that it had allayed the panic by restoring mercantile confidence. It was officially stated that the suspension of the Corn and Navigation Laws will not be continued beyond March.]

	Liabilities. £	Assets £
DECEMBER.		
2. W. Pemberton, Canada merchants, London	30,000	
Charles Trueman and Co., merchants, London.		
9. Gates, Coates, Bartlett, and Co., calico printers, London	13,000	2,500
A fiat in bankruptcy has been issued.		
11. Laysaght, Smithett, and Co., East India merchants, London.		
Blain and Son, corn dealers, Liverpool.		
G. Hargreaves, East India merchant, Liverpool.		
Froske and Co., shipowners, Liverpool.		
T. and J. Sands, merchants, Liverpool.		
A surplus of £35 is shown.		
Oak Farm Company, (Boydell & Roper), iron merchants, near Dudley ..	314,222	58,204
A majority of the creditors have agreed to accept 9s. in the pound, payable by instalments.		
John Marsland, cotton spinner, Manchester.		
William Thorne, Canada merchant, London	15,391	39,477
The creditors have granted a twelvemonth's license to Mr. Thorne, and have arranged for liquidating the debts by inspection.		

B. Bartley and Co., manufacturers, Halifax
 Oakes and Jones, Ketley Iron Works, Kingswinford.
 Bailey, Honeyman, and Co., merchants, Glasgow.
 Campbell, Harvey, and Co., silk merchants, Glasgow.
 Fergusson, Watson, and Co., silk merchants, Glasgow.
 R. Forrester, warehouseman, Glasgow.
 Mitchell and Co., Canadian merchants, Glasgow.
 Rankine and Co., warehousemen, Glasgow.
 Ayrshire Iron Company 236,719 155,872
 W. S. Hamilton and Co., West India
 merchants, Dublin.
 Henry & Co., calico printers, Dublin.

	Liabilities. £	Assets. £
Deaves, Brothers, Russia merchants, Cork	30,000	20,000
The firm have undertaken to pay 10s. in the pound.		
Sanders, May, Fordyce, and Co., mer- chants, Calcutta.		
C. Bruyn and Sons, sugar refiners, Am- sterdam	250,000	330,000
Dervieu, sen., and Co., corn merchants, Oran, Algeria.		
Parangue and Sons, bankers, Marseilles.		
Richer and Co., manufacturers, Prague . .	500,000fl.	
Sigart Tercelin, broker, Mons.		

[Notes.—In consequence of the influx of bullion the Bank reduced its rate of interest from 7 to 6 per cent. on the 2nd instant, and from 6 to 5 per cent. on the 24th. The revenue accounts for the year are in strong contrast. For the first quarter, ending the 5th April, there was an increase on the quarter of £403,632, and of £1,538,108 on the year; for the quarter ending the 5th July there is an increase on the quarter of £41,451, and on the year £1,004,026. On the 10th of October there is a decrease of £1,507,230, on the quarter, and £1,042,268 on the year; and for the 6th January, 1848, the decrease on the quarter is £1,165,313, and on the year £2,217,454. The position of the railway interest may be judged of from the following quotations, being the selling price of shares of railways in operation:—Eastern Counties (£20 paid), July 1, £21½; Oct. 1, £17; Nov. 1, £16½; Dec. 1, £16½. Great Western (£85 paid), July 1, £38 prem.; Oct. 1, £17pm.; Nov. 1, £6 pm.; Dec. 1, £16 pm.; Jan. 1, 1848, £9 pm. London and North Western (£100 paid), July 1, £184; Oct. 1, £160; Nov. 1, £149; Dec. 1, £155; Jan. 1, £149.]

1848. JANUARY.

Cotesworth, Powell, and Pryor, Brazilian merchants, London	300,000	
Durand and Mackenzie, American mer- chants, London	29,917	8,193
Heilbut, Rubens, and Co., merchants, London.		
Smith, Beard, and Co., warehousemen, London	10,510	9,598

The creditors have refused an offer of 12s. in the pound, insisting upon 13s.

	Liabilities. £	Assets. £
J. Anderson and Co., merchants, Glasgow	170,000	
[Brought down by the stoppage of Cotesworth and Co.]		
W. and A. Taylor, manufacturers, Glasgow	12,000	
M'Phails, spinners, Glasgow.		
Gilmour and Kerr, spinners, Glasgow ..	54,000	
A dividend of 5s. expected.		
T. Waddle and Co., Canadian merchants, Glasgow	30,000	
From 6s. to 7s. expected.		
John Lacey, West India merchant, Glasgow	14,000	
Anderson, M'Gregor, and Co., Glasgow	15,000	
Bernard, Hartley, and Co., Halifax.		
Three years ago the firm were worth £50,000. Estate to be wound up under inspection.		
Jesse Barns, wool dealer, Rochdale.		
Cargill, Headlam, and Co., colonial brokers, Newcastle-on-Tyne.		
The stoppage, it is believed, will only be temporary. So careful were the firm to avoid speculation, that partners, and clerks, and all connected with them, were prohibited from speculating in shares of any kind.		
Oxley, Dunlop, and Co., Bradford.		
One of the oldest and most respectable firms in the place. The stoppage arose from the refusal of their Bankers to afford the usual accommodation. Business is to be resumed with the consent of the Creditors.		
Hardman and Co., Liverpool.		
The firm were the agents of Cargill, Headlam and Co., of Newcastle.		
Baron de J. Von Haber, bankers, and merchants, Carlsruhe.		
The Government are to give assistance. From the connexions of the firm it is said that ten thousand persons would have been thrown out of employment had aid not been given.		
J. F. Gontard and Son, bankers and merchants, Frankfort	500,000	
L. H. Flersheim, banker and merchant, Frankfort		
Haber and Sohne, bankers and mer- chants, Frankfort		
[Speculations in railway shares is the prominent reason assigned for these stoppages.]		
Crozet, Nephew, and Co., merchants, Marseilles	40,000	
Kramer and Son, merchants, Amsterdam	20,000	
Alexander Baert, Frankfort.		

M. Hoffman, produce merchant, Frankfort.
 M. Maintz, Offenback, near Frankfort.
 Heidelberg, Brothers, Frankfort.
 J. Bochmer, Frankfort.
 M. Michel Bass, banker, Paris.
 Volkert and Lubeck, timber merchants,
 Gottenburgh.

	Liabilities. £	Assets. £
De Launay and Co., American merchants, Havre	80,000	
J. C. Plitt, merchant, St. Petersburg ..	330,000	

Mr. Plitt has been arrested by the Russian Government for deficiencies to the extent of £100,000, incurred as a Director of the Assurance Co., Salamander.

[The stoppage of the following houses, connected with firms which have suspended payment in England, has been reported by the Overland Mail.]

Cockerell and Co., Calcutta.
 Lyall, Matheson, and Co., Calcutta.
 Church, Lake, and Co., Calcutta.
 Shearman, Mullens, and Co., Calcutta.

Such was the estimation in which these firms were held in Calcutta that they formed four of the five houses which were facetiously called the "Five Powers." The several estates have been placed under the management of responsible persons.

Livingstone and Co., Bombay.
 Smith, Cowell, and Co., Calcutta.

The state of affairs is deemed satisfactory.

Hughesden, Brothers, merchants, Calcutta.
 Ewart, Aird, and Anderson, Calcutta.
 Lake, Hammel, and Co., Calcutta.

[Note. The *Friend of India*, published at Calcutta on the 25th November, says:—A week of greater gloom and despondency than the past has not been in Calcutta since the period of the great failures, fifteen years ago. The first three days were native holidays, but the pleasures of relaxation was neutralised by the thought that with the recommencement of business would come in the mail of the 7th of October, respecting which the most dismal forebodings had been created by the previous mail. On Thursday morning the mail arrived, and the worst fears were more than realized. Firm after firm connected with the good or the adverse fortune of this country had fallen in England, and business was resumed in Calcutta with the knowledge that dishonoured bills to the extent of nearly a million sterling might speedily be expected.]

A communication, dated Bombay, the 15th December, states, "as regards the crisis, Bombay and Madras still continue to hold their heads above water in this universal "slough of despond;" and there is every reason to hope that, come what may, Bombay and the sister presidency will ultimately come out unscathed from the fiery furnace of general insolvency."

[As the above list of names has been compiled in part from the newspapers, and may contain misprints, which we have no means of detecting, we shall feel obliged for any corrections which may appear to be important, and desirable to be noticed.
 —ED. B. M.]

BALANCE SHEETS OF THE COMMERCIAL FIRMS WHICH HAVE RECENTLY FAILED.

[We have now nearly completed the publication of these Balance Sheets. The present List includes one or two which were omitted to be published at the time they appeared, and those remaining over will be given next month to complete the whole.]

LIVERPOOL BANKING COMPANY.

The Liverpool Banking Company has not yet been able to arrange for recommencing business. The following balance-sheet shows the state of its affairs:—

Statement of the Liverpool Banking Company.

	£	s.	d.
Amount paid up capital	111,650	0	0
Reserved Fund	22,723	18	5
Contingency Account	2,357	9	8
Interest and Commission from 30th June to 19th October, estimated upon the ratio of the previous half year	5,276	3	8
	<u>£142,007</u>	<u>11</u>	<u>9</u>

Assets.

Cash and Bills, not at maturity, on hand 18th October..	49,166	1	7
Bills on hand, past due, being upon parties who have suspended payment	£14,968	1	0
Estimated to produce	10,590	0	0
Amount due to the bank from current accounts	152,026	10	2
Deduct estimated loss on bad and doubtful debts	8,477	0	0
	<u>143,549</u>	<u>10</u>	<u>2</u>
Back premises, including warehouse in Benn's-garden ..	6,428	3	1
Estimated interest and commission as above	5,276	3	8
	<u>£215,009</u>	<u>18</u>	<u>6</u>

Liabilities.

Upon bills in circulation and in hand ..	£321,275	13	3
Of the above £22,729 5s. 9d. are upon parties who have suspended payment—taking into consideration solvent endorers and other circumstances, the loss is estimated at	8,060	3	1
Amount owing by the bank to current accounts	47,387	4	5
" " to deposit accounts	36,069	6	11
" Proprietors dividends, not called for	215	10	0
	<u>91,768</u>	<u>4</u>	<u>5</u>
Estimated surplus	<u>£123,241</u>	<u>14</u>	<u>1</u>

COATES AND HILLARD.

A meeting of the creditors of Messrs. Coates & Hillard, of Bread-Street, London, American merchants, who suspended payments a short time since, was held on the 6th December, 1847, for the purpose of receiving a statement of the affairs of the firm. The balance-sheet, drawn up by Messrs. Parrinton & Ladbury, the accountants, which we give below, was laid before the meeting, and occasioned a warm discussion. It will be seen that the expected assets are only £35,462, to meet £72,057 of liabilities, or less than 10s. in the pound, even if the estimated value of the assets is realised, and this is not at all expected. The members of the firm were severely blamed for having continued business when, if a proper examination of their affairs had been made periodically, they must have known that they were insolvent. Much dissatisfaction was also felt at what some of the creditors seemed to consider an unfair preference shown to a party having claims on the house, and there is little doubt but that the estate will come into the Court of Bankruptcy for settlement. For the present, however, nothing is to be done, and an adjournment of the meeting has taken place until advices can be received from America, showing how far it is probable the estimated assets coming from parties there will be realised. The following is the balance-sheet submitted to the creditors:—

Dr.		£	s.	d.
To creditors as per list	60,047	10	6	
To ditto on bills drawn by New York agent upon, and accepted by us	8,464	6	8	
To creditors partly secured	£11,459	15	11	
Less value of security	10,534	0	0	
		925	15	11
To creditor wholly secured	1,795	12	4	
To value of security	3,000	0	0	
Surplus carried to contra	1,204	7	8	
To liability upon bills receivable discounted, amounting to £153,265 8s., of which it is supposed will be dishonoured and claimed upon the estate	2,619	18	10	
To liability upon bills accepted by Messrs. Coates & Co., for account of parties in America, but which bills are to be provided for by the said parties	19,523	5	2	
		£72,057	11	11
Cr.		£	s.	d.
By goods unshipped	1,925	18	8	
By book debts in London—good	£7,256	1	3	
Ditto, Manchester	4,689	18	10	
		11,946	0	1
By doubtful and bad debts in London	18,593	1	11	
Ditto, Manchester	5,787	7	5	
	24,380	9	4	
Estimated at	500	0	0	
By amount due by New York agent to London House	14,384	2	2	
By ditto to Manchester	4,247	4	1	
	18,631	6	3	
Less charges and expenses, say 10 per cent.	1,863	2	7	
		16,768	3	8

	£	s.	d.	£	s.	d.
By bills of exchange on hand, good .. ..	..	..	..	1,455	18	7
Ditto, bad, at 6s. 8d.	480	14	10	160	4	11
<hr/>						
By cash, Manchester	200	0	0	200	0	0
Ditto, at Bank of England	662	0	0
By fixtures in London warehouse	325	18	0			
By ditto in Manchester	214	0	0			
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				539	18	0
By securities in the hands of creditors, as per contra	275	9	1			
Cash at Messrs. Brown, Janson, & Co. ..	928	18	7			
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				1,204	7	8
By lease of premises in Philip Lane, 29½ years from Michaelmas, 1835, at £50	450	0	0
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				£35,812	11	7
Less rent owing at Manchester	150	0	0			
Ditto in London	200	0	0			
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				350	0	0
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				£35,462	11	7
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By Mr. Coates's private property	£1,270					
By Mr. Hillard's ditto	250					
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				£1,520		
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The number of creditors in the list referred to, whose claims amount to £60,047 10s. 6d. is 128, exclusive of the creditors under £20. In the list the largest creditor is for £5,567, but there are several for sums of £2,000 and £3,000 each.

LEAF, BARNETT, SCOTSON, & Co.

At a meeting of the creditors of this firm, held on the 15th December, 1847, the following balance-sheet was presented.

Statement of Affairs, Nov. 27, 1847.

Dr.	£	s.	d.	£	s.	d.
To sundry creditors :—						
On trade account	47,926	15	6			
On cash account	26,157	3	4			
Sundries under £20 each	1,151	8	1			
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				75,235	6	11
To liabilities on bills receivable as per statement, £50,104 19s. 6d.						
Of which the amount estimated to prove claims on the estate is	11,598	4	10			
Less, balances owing by persons holding the above bad bills	1,258	4	4			
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				10,340	0	6
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				£85,575	7	5
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Cr.	£	s.	d.	£	s.	d.
By cash and bills on hand:—						
Cash at Lubbock & Co.'s	1,129	11	6			
Ditto in Bank of England	2	9	7			
Ditto in house	42	11	2			
Bills considered good	2,864	7	8			
Ditto, doubtful £1,316 3s. 9d., estimated at	658	1	10			
				4,697	8	9
By sundry debtors, as per statement:—						
Considered good	26,337	9	8			
Ditto, doubtful £8,592 17s. 8d., estimated at	4,296	8	10			
				30,633	18	6
By stock in trade, as per summary, at cost, per folio ..				49,660	6	6
By estimated dividends:						
To arise from bad debts, already written off, as per statement	1,194	11	4			
To arise from bad liabilities, amounting to £11,598 4s. 10d.						
After providing for the payment in full to the holders thereof—say	2,500	0	0			
				3,694	11	4
By George Sharp & Co., Dublin:						
Balance remaining owing by them, secured by leases of premises in Grafton Street, Dublin, estimated at ..	1,000	0	0			
By surplus security with Mr. West, as per statement ..	764	4	0			
By furniture, wine, &c., estimated at	352	12	6			
				£90,803	1	7
Less—sundries, having priority, rent, salaries, &c. ..	1,723	19	8			
				£89,079	1	11

The firm made an offer of a composition of 15s. in the pound, but a number of the creditors, forming their judgment from the statement of the affairs of the house made out by Quilter, Ball, & Co., the accountants, that they would be able to pay at the rate of 17s. 6d. per pound, after a considerable discussion, it was proposed that a committee of the creditors should retire in order to come to terms with the firm, on a comparison with the different items in the account, and on their return to the meeting they gave it as their unanimous opinion that 16s. in the pound would do fair justice to all parties. This suggestion was at once adopted, on the condition that the composition should be paid in equal instalments, at three, six, and nine months; and that if adequate security for the payment thereof was not produced within ten days, that the estate should be wound up by the firm under the direction of three inspectors. A very high tribute was paid to the clear and perspicuous manner in which the books of the firm had been kept, which enabled the accountants to arrive at their results without doubt or difficulty. As an evidence of the position in which the class of large wholesale houses have been placed, we understand that the senior partner, Mr. Leaf, has sunk no less than £80,000 in the concern, which had been left him by his late father, clear of all incumbrance. Whether it was a mark of wisdom for a man so circumstanced to enter into the business at all is another matter; but, if not, he has paid a severe forfeit for his determination, and, in that view, is now an object of deep sympathy.

THE AYRSHIRE IRON COMPANY.

At a meeting of the shareholders of this company, held on the 22nd Dec. ult., to take into consideration the present state of its affairs, the following balance-sheet was laid before the shareholders.

Abstract of Statement of the Affairs of the Ayrshire Iron Company, at 21st Dec., 1847:—

LIABILITIES.

	£	s.	d.	£	s.	d.
Amount of debts due on bills payable per state No. 1.....	153,382	8	9			
Less iron and money held by parties having acceptances	4,543	15	0			
				148,838	13	9
Amount of debts due for unpaid bills receivable	9,890	9	4			
Amount of debts due on unaccepted drafts and bills received for the accommodation of the company.....	13,314	17	0			
				23,205	6	4
Amount due for undelivered iron contracts paid to the company.....	..	..		17,322	12	6
Amount of debts due on open accounts and accounts current, per statement No. 4 ..	..	..		32,352	1	5
Claims of contractors for works done to Malleable Iron Works, and for various houses erecting on the ground, estimated at ....	..	..		£221,919	14	0
				15,000	0	0
				£236,719	14	0

ASSETS.

	£	s.	d.			
Value of stock of Calcined ironstone on hand at the works	12,762	9	0			
Value of coal on hand at works	212	15	0			
				12,975	4	0
Value of stock of goods on hand at store, including book debts.....				2,629	14	9
Value of stock of iron at Dalry and in Glasgow, including weights, steel-yards, &c..				1,568	4	0
Value of stock on hand at works, including smith's stock, wright's stock, stable stock, wood, &c., &c.				6,505	2	9
Value of dwelling-house at Dalry Store, held on feu, separate from works.....				1,450	0	0
Value of book debts due to the company, exclusive of Blair Iron Company.....				2,941	7	0
Dividends expected to be realized from estates of obligants on overdue bills				5,324	16	4
Blair Iron Company, for debt apparently due on balance of account current.....				72,518	0	5
Apparent amount of assets, exclusive of iron works				105,872	9	3
Iron works at Dalry, including outlay on malleable iron works, and coal and ironstone pits.....				50,000	0	0
				155,872	9	3
Apparent deficiency				£80,347	4	9

In order to meet this deficiency, and prevent the creditors instituting legal proceedings against the shareholders, as threatened, it was determined to offer to pay 10s. in the pound on all the claims against the company, payable on the 15th January next and the remainder by instalments of 6 and 12 months' date. To this proposal the creditors assented; and if the call made upon the shareholders, to enable the directors to carry out this proposition, be met in the way that is expected, it is hoped that the affairs of the company will be wound up without further delay.

MESSRS. M. L. BENSUSAN & Co.

The subjoined document is a statement of the affairs of Messrs. M. L. Bensusan & Co., Mogador merchants, whose failure took place on the 26th of September, 1847. It will be observed that the assets are £3,951 against liabilities for £52,016 (equal to a dividend of 1s. 6d. in the pound), and the statement was drawn up by Mr. James Hutton, accountant, pending the issue of a fiat in bankruptcy which has since taken place.

Statement of Affairs.

Dr.

To creditors, for consignments to us, and also for goods purchased by us on our own account	£	s.	d.
	15,568	16	2
To creditors for cash advanced and bills negotiated.. ..	30,780	15	6
	<hr/>		
	£46,369	11	8

To liabilities:

General £2,773 3s. 7d.; Bills payable, drawn by our correspondents on us for their accommodation, £5,179 5s. 7d., of which it is estimated a dividend will have to be paid on £352; bills receivable, endorsed by us, £4,385 11s. 11d., of which it is estimated there will be returned £2,521 14s. 1d.	5,646	17	8
	<hr/>		
	£52,016	9	4

Cr.

By debtors:	£	s.	d.	£	s.	d.	£	s.	d.
Good	808	16	2	808	16	2			
Doubtful, valued at 5s. in the pound ..	4,375	18	2	1,093	19	6			
	<hr/>						£1,902	15	8
Bad	2,538	0	10						
	<hr/>								
	7,722	15	2						
By merchandise on hand:—									
Cost	7,823	4	8						
Valued at	—			7,160	8	1			
Less sums advanced by brokers, and estimated charges				5,820	0	3			
Estimated net value							1,340	7	10
By property							575	10	0
By bills receivable on hand:—									
Good				172	13	0			
Doubtful, £196 10s., valued at ..				65	10	0			
	<hr/>						238	3	0
	<hr/>						£4,056	16	6

	£	s.	d.	£	s.	d.
Deduct:—						
Rent due September 30th	30	0	0			
Taxes ditto about	15	0	0			
Salaries ditto	6	0	0			
				105	0	0
				£23,951	16	6

MESSRS. DURAND & M'KENZIE.

The creditors of Durand and M'Kenzie, American Merchants, who failed on the 31st of December, held a meeting on 12th January, when the annexed statement, respecting the position of the insolvent house, was submitted by Messrs. Parrinton & Ladbury, the accountants appointed to investigate the estate:—

	Debtors.	£	s.	d.	£	s.	d.
To creditors unsecured, as per list.....					29,338	6	3
To creditors holding security.....	13,859	8	3				
Less—Estimated value of securities held by them.....	13,280	5	2				
					579	3	1
To liability on bills receivable discounted, amounting to £13,341 2s., of which it is supposed £1,000 will be dishonored and returned to the Union Banking Company, who hold funds to cover the amount, as <i>per contra</i>							
					£29,917	9	4

	Creditors.	£	s.	d.	£	s.	d.
By produce on hand					937	0	0
By book debts, good					1,172	6	6
By ditto, doubtful and bad, estimated at ..					2,818	13	1
By cash in hand					1,420	12	9
By bills of exchange on hand, good.....					357	6	11
By ditto, doubtful and bad, £2,051 19s. 8d., estimated at.....					713	0	3
By cash at Union Bank	1,021	11	6				
Less—Bill of	1,000	0	0				
					21	11	6
which will not be paid when due, but supposed will realize					500	0	0
By cash at the Bank of England	163	18	11				
(which will be retained by them in reduction of their claim).							
By counting-house furniture and fixtures					75	0	0
By life policies, held to secure a debt, worth					250	0	0
By Angus M'Kenzie's private property, household furniture.....	200	0	0				
10 shares in Union Bank	102	10	0				
					302	10	0
					8,568	1	0
Less rent, salaries, taxes, &c.					374	1	8
					£8,193	19	4

It will be perceived by the above accounts, that the assets show a dividend equal to about 5s. 5d. in the pound; and an offer was made to pay a composition of 5s., by instalments of 2s. cash down, 1s. 6d. at three months, and 1s. 6d. at six months, the final payment to be properly secured. From the explanations rendered by Mr. Ladbury, it appeared that the books of the house had been regularly kept, and that balances had been struck at stated periods, but the great mistake of the partners seemed to consist in not having written off a sufficient amount of bad debts throughout the progress of their trading. It was, however, admitted, that large losses in the shape of bad debts had matured since the last balance taken in March; and also, that the gross amount of losses, coupled with business expenses, fully accounted for the apparent deficiency.

Messrs. ALISON, CUMBERLEGE & Co.

The balance-sheet of Alison, Cumberlege, & Co., of No. 4, Old Broad Street, London, and Valparaiso, Merchants, commencing October 1st, 1844, and ending November 27th, 1847,—presented to the Commissioners of Bankrupts on 11th January, 1848.

<i>Debtor.</i>		£	s.	d.	£	s.	d.
To creditors unsecured.....	..	..	65,846	4	5		
To creditors holding security ..	..	..	32,023	9	2		
To liabilities ..	..	..	12,505	3	9		
To capital—October 1st, 1844, as per statement, viz.—				110,374	17	4	
R. E. Alison ..	..	56	1	10			
W. L. Cumberlege ..	..	1,791	5	2			
To R. F. Gower, jun.	..	..	1,847	7	0		
Capital ..	..	..	4,965	10	6		
To profits ..	..	..	5,138	4	5		
				£122,325	19	3	
<i>Creditor.</i>							
By debtors—Good ..	..	..	3,586	1	0		
Doubtful ..	2,085	13	7				
estimated at ..	..	..	520	0	0		
Bad ..	14,582	9	0				
By property ..	..	..	284	4	6		
By securities in hands of creditors ..	..	..	29,413	13	9		
By bills receivable in hands of Roberts & Co. ..	..	..	4,414	6	0		
By Alison, Cumberlege, & Co., Valparaiso..	11,009	7	8				
Consignments at ditto ..	3,551	12	7				
				14,561	0	3	
By R. M'Lean—Tacna ..	..	..	24,418	2	5		
By partners' drawings, viz.—							
R. E. Alison ..	664	19	11				
W. L. Cumberlege ..	158	10	5				
R. F. Gower ..	1,358	12	4				
				2,182	2	8	
By expenses ..	..	..	11,038	2	0		
By losses ..	..	..	19,403	2	11		
By liabilities per contra ..	..	..	12,505	3	9		
				£122,325	19	3	

Banking and Commercial Law.

ON THE LIABILITIES OF SHAREHOLDERS, AND OF PARTIES WHO HAVE BEEN SHAREHOLDERS, IN JOINT-STOCK BANKS TO THE CREDITORS OF THE BANK.

RECENT events naturally induce those persons who are connected with joint-stock banks to consider their position, and we propose in the present paper to give a brief summary of the statutes and decisions bearing upon the subject of the liability of the shareholders, and retired shareholders, in joint-stock banks, for the debts of the concern.

Joint-stock banks formed *before* May, 1844, are regulated by the 7th Geo. IV., c. 46, which enables them to appoint a public officer, to sue and be sued, on behalf of the company. By suing the public officer, the creditor virtually sues the entire firm, and a judgment procured against him is a judgment against the entire firm, and may be enforced against each member of it; and for that purpose, the Act requires the names of all the partners to be registered. (*Ex parte Wood*, 1 Montagu, D. & De G.'s Reports, 92, 98.) It was once held, that the creditor of a joint-stock bank might sue out a fiat in bankruptcy against a shareholder without taking any preliminary proceedings against the public officer; but this point has been further considered, and the Court of Exchequer has held, that a creditor of a joint-stock bank cannot sue an individual member of the company for his debt, but must proceed against the public officer, where it appears that there is a public officer, and that he is within the jurisdiction. (*Steward v. Greaves*, 10 Meeson and Welsby, 711.) A *mandamus* will lie to appoint a public officer. (*Edwards v. Buchanan*, 3 Barnewell and Adolphus, 788.) A bill was filed against A as the registered public officer of the Yorkshire Banking Company. A, by his answer, stated, that he had ceased to be such public officer, and that B was then the public officer of the company. It was held to be unnecessary to bring the new public officer before the court. (*Butchart v. Dresser*, 16 Law Journal (Chancery) Reports, 198.)

The judgment having been obtained against the public officer, the next step is to enforce it against the shareholders; and the 13th section of the before-mentioned statute defines their liabilities, and the mode of proceeding against them. We therefore insert it at length:—

“And be it further enacted, that execution upon any judgment in any action obtained against any public officer for the time being of any such corporation, or co-partnership, carrying on the business of banking under the provisions of this Act,

whether as plaintiff or defendant, may be issued against any member or members for the time being of such corporation or co-partnership; and that in case any such execution against any member or members for the time being of any such corporation or co-partnership shall be ineffectual for obtaining payment and satisfaction of the amount of such judgment, it shall be lawful for the party or parties so having obtained judgment against such public officer for the time being to issue execution against any person or persons who was or were a member or members of such corporation or co-partnership at the time when the contract or contracts, or engagement or engagements, in which such judgment may have been obtained was or were entered into, or became a member at any time before such contracts or engagements were executed, or was a member at the time of the judgment obtained: provided always, that no such execution as last mentioned shall be issued without leave first granted, on motion in open court, by the court in which such judgment shall have been obtained, and which motion shall be made on notice to the person or persons sought to be charged, nor after the expiration of three years next after any such person or persons shall have ceased to be a member or members of such corporation or co-partnership."

It has been held, that a creditor is bound to use all reasonable means to obtain satisfaction of the judgment from the present members of the company, which he must do before he can attempt to proceed against those who have been members, but have ceased to be so any longer; and it seems that if a retired partner can show that there are any solvent present partners, it will be an answer to an application to issue execution against him. (*Eardley v. Law*, 12 Adolphus and Ellis's Reports, 802; *Field v. Mackenzie*, 11 Jurist, 714.) A person who appears to be a partner on the books of the co-partnership, and whose name is registered as such, cannot discharge himself of his liability to creditors by showing that the transfer to him was informally executed. (*Taylor v. Hughes*, 2 Jones and Latimer's Reports, 24.)

Joint-stock banks established *since* the 6th of May, 1844, are regulated by the 7 & 8 Vic., c. 113, which differs in some respects from the former Act. The following is the 10th section, which relates to this subject:—

"And be it enacted, that it shall be lawful for the plaintiff to cause execution upon any judgment, decree, or order obtained by him in any such action or suit against the company, to be issued against the property and effects of the company; and if such execution shall be ineffectual to obtain satisfaction of the sums sought to be recovered thereby, then it shall be lawful for

him to have execution in satisfaction of such judgment, decree, or order, against the person, property, and effects of any shareholder, or in default of obtaining satisfaction of such judgment, decree, or order, from any shareholder, against the person, property, and effects of any person who was a shareholder of the company at the time when the cause of action against the company arose: provided always, that no person having ceased to be a shareholder of the company shall be liable for the payment of any debt for which any such judgment, decree, or order shall have been so obtained, for which he would not have been liable as a partner in case a suit had been originally brought against him for the same, or for which judgment shall have been obtained, after the expiration of three years from the time when he shall have ceased to be a shareholder of such company; nor shall this Act be deemed to enable any party to a suit to recover from any individual shareholder of the company, or any other person whomsoever, any other or greater sum than might have been recovered if this Act had not been passed."

Legal Miscellany.

NOTE.—Under this head we shall insert brief reports of legal decisions affecting Bankers and Merchants, as they occur from time to time. We shall feel obliged by having our attention called to any case which may come under the notice of our readers.

BILL SWINDLING.

LEWIS v. SIMPSON.—*Court of Exchequer, Thursday, 13th Jan. 1848.*—*Before the Lord Chief Baron, Mr. Baron Parke, Mr. Baron Alderson, and Mr. Baron Platt.*

[In our last number, p. 43, we gave a report of the trial of this cause, in which the defendant, who had been defrauded of an acceptance by some of the bill swindlers, whose proceedings we have noticed from time to time, had a verdict given against him on a point of law. Messrs. Dean, Leeks, Dixon, and Redpath (the solicitors of the Society for the Protection of Trade), who defended the action, have, however, been successful in obtaining a *Rule Nisi* for a new trial: and the following is a copy of the short-hand writer's notes of the application, which has been furnished expressly for the *Banker's Magazine*. The remarks of the Lord Chief Justice will, we are sure, be perused with much satisfaction by our readers.—*Ed. B. M.*]

This was an action brought by Charles Lewis, an attorney and bill-discounter, of Grosvenor Street, Bond Street, against the Rev. Robert Simpson, of Bristol, as acceptor of a bill of exchange, purporting to be drawn by one J. Sydserrff, and endorsed by him to Richard Shires, and by Shires to Lewis, the plaintiff. It appeared that Mr. Simpson, the defendant, had been entrapped into giving this acceptance, together with three others, for £100 each, by an advertisement in the *Record* newspaper, purporting to have been inserted by Sydserrff, who professed to be the son of a Wesleyan minister, and to have

a surplus capital to advance "upon the responsible personal security of benefited clergymen, dissenting ministers, and others of respectability." Mr. Simpson entrusted his acceptances to this person, and never, it was stated, received a shilling for either of them. Two of them found their way into the hands of Lewis, the plaintiff, who sued Mr. Simpson upon one, and on the trial obtained a verdict for £100, notwithstanding that evidence was given on the part of the defendant to show that the indorsement of the bill was not in the handwriting of Sydsaerff, but of a person of the name of Tucker, and that the plaintiff had taken the bill under circumstances which, as the defendant's counsel contended, rendered it incumbent on the plaintiff to prove (which he did not do) that he had given value for it, and that he was not cognizant of the fraud practised upon the defendant.

Mr. MONTAGUE CHAMBERS now moved for a rule to show cause why the verdict should not be set aside and a non-suit entered; or, why there should not be a new trial. He submitted that the Lord Chief Baron had misdirected the jury, inasmuch as he had told them that if they believed the indorsement of the bill to be in the same handwriting as the drawing they must find for the plaintiff. His lordship, by way of showing that it was not necessary that the actual party interested as drawer should, with his own hand, write the body of the bill or sign it, said a person might direct another to write for him, as his clerk, and *that* would be just as much the drawing of the person who gave the direction as if he had done it with his own hand. Now, as to that there was no doubt, but when his Lordship put to the jury the question, "Is the writing of the indorsement the handwriting of the same person who drew the bill," he in effect asked them, "If Tucker wrote the body of the bill, did Tucker write the indorsement?" Why it was conceded that he did. It was conceded that Tucker wrote the body of the bill, and that Tucker wrote the indorsement; but he (the learned counsel) denied that Tucker, being a known person, could be taken to be the drawer of the bill, or that Mr. Simpson could be taken as admitting that the signing of the name of J. Sydsaerff was a proper drawing of the bill any further than it was acknowledging that Tucker had an authority given to him by some person of the name of J. Sydsaerff, to draw the bill. The jury probably were under the impression that Tucker was authorised by Mr. Simpson to draw the bill, and that the question really for them to decide was, had Tucker authority to indorse also? the acceptance being only an acknowledgment of the authority to draw.

Mr. BARON ALDERSON.—Did Tucker pass as Sydsaerff?

Mr. CHAMBERS.—No: that did not appear: there was no evidence of that. The only case where the acceptance was considered an acknowledgement of the drawing was where the drawer's name was a fictitious name, and used with the knowledge of the acceptor.

Mr. BARON PARKE.—This may be a forgery of Tucker's.

Mr. CHAMBERS.—It may.

Mr. BARON PARKE.—And if it is a forgery of Tucker's, the defendant is not bound, unless he knew that it was so.

Mr. CHAMBERS.—Yes: it stands thus: an authority to draw is not an authority to indorse.

Mr. BARON PARKE.—An authority to draw is not an authority to indorse, but if there is a bill which is a forgery, and known to be a forgery by the acceptor, he, by accepting, engages to pay, inasmuch as there never can be a real party answering the description to the order of the same party by whom the bill is drawn.

Mr. CHAMBERS.—Yes: if he knows it.

Mr. BARON PARKE.—There was a case sent down to a new trial at Bristol, the name of the drawer of the bill being a forgery. That was the case of *Beecham v. Duck*.

Mr. CHAMBERS.—There is an earlier case than that of *Cooper v. Mayer*, 10, *Barnewall & Creswell*; that is the case to which the Lord Chief Baron referred, and it is the case of knowledge by the acceptor, but there is a case to which I will direct your lordships' attention, which, I think, is in point. I put the present case in this way:—The jury were misled or misguided by the Lord Chief Baron putting the case of a clerk being authorised to draw. His lordship said, "You may authorise a clerk to draw a bill for you, and if you do so, it is just the same as if you draw it yourself." The jury might therefore have thought, that if they got an acknowledgement of an authority to draw, they also got an acknowledgement of an authority to indorse.

LORD CHIEF BARON.—I do not think I put that.

Mr. CHAMBERS.—Your lordship did in the course of your address.

LORD CHIEF BARON.—I am sure I wish you all imaginable success, and shall be exceedingly happy if, upon any plain, intelligible ground, we can grant you a new trial which will give you the verdict.

Mr. CHAMBERS.—I am quite sure of that, and that was the reason I said what I did, being dissatisfied with some things which your lordship said to the jury.

LORD CHIEF BARON.—I thought I was bound whether the plaintiff was a Jew or a Christian,—whether he was a man who lived by the ordinary dealing in goods or by the discounting of bills.—I thought I was bound to put the case just upon the same principle as the case of any other man, and to lay down the same rule of law.

Mr. CHAMBERS.—Yes, and I should be the last to complain of that, because, no doubt, it did require a strong summing up to convince the jury of what the rule of law is.

LORD CHIEF BARON.—It was difficult not to perceive from the opening of the counsel for the defence, that the bill was obtained by fraud, but it did not appear to me that there was sufficient evidence to connect Mr. Lewis; otherwise, from your statement, which there was every reason to believe was correct, there never was a case of grosser swindling and fraud with respect to the means of obtaining the bill.

Mr. CHAMBERS.—The passage in the summing up to which I object was this: His lordship said, "Mr. Simpson, by putting his name as acceptor, admits that the person who wrote his name as drawer had a right to draw upon him, whether his name was Sydserff or any other name, and that that person had a right to indorse the bill, be he Sydserff or Tucker."

LORD CHIEF BARON.—You may take a rule to show cause.

Mr. CHAMBERS.—There is another point, namely, the necessity of the plaintiff proving consideration.

Mr. BARON PARKE.—You did not make out the necessity of proving consideration, except by the admission of the plaintiff, Mr. Lewis, that the bill was stolen from Mr. Simpson.

Mr. CHAMBERS.—That is one fact.

LORD CHIEF BARON.—If you read a man's answer in Chancery to show he had a certain knowledge, in consequence of which he would be bound to prove he gave consideration, if the same answer discloses the consideration, the question is at once raised and answered.

Mr. CHAMBERS.—It is a question for the jury what part of the affidavit they will believe. They are not bound to take the whole; and therefore what I submit is, that the evidence which we tendered as to the original transaction of obtaining the bill was improperly rejected, namely, the letters which had passed between the person assuming the name of Sydserff, and Mr. Simpson.

LORD CHIEF BARON.—How can that be made evidence against Mr. Lewis?

Mr. CHAMBERS.—I apprehend you must always prove the original mode in which the bill or acceptance had been got from the party who is sued, and I

proposed to do it by proving the correspondence which had passed. The mode in which I did it in this case was to show that the handwriting of the letters was the same as that upon the bill and indorsement, namely, Sydserrf's; that is, a person assuming the name of Sydserrf, and his Lordship said he thought it was not admissible evidence. Now I submit that it was admissible evidence the moment I called a witness who said I believe these letters to be in the same handwriting as the bill.

MR. BARON ALDERSON.—I understand you did prove the handwriting of the letters?

MR. CHAMBERS.—Eli Read, the witness, had unfortunately walked out of court before we came to that, or we would have proved it.

LORD CHIEF BARON.—I think one of the witnesses who was called, a person of the name of Philp, said "I know Sydserrf, but I do not know Tucker. I have seen Shires. What he is I do not know. I have not seen Sydserrf for some time." Then he says, "these letters are not in Sydserrf's handwriting." Then some other letters were put in, he says, "this one and this, are not in Sydserrf's handwriting." He said he thought they were in the same handwriting as the indorsement.

MR. CHAMBERS.—Yes; and it was conceded on the other side that the other letters were in the same handwriting as those two.

MR. BARON ALDERSON.—Who wrote these letters?

MR. CHAMBERS.—They purported to be signed, "J. Sydserrf."

LORD CHIEF BARON.—That is in reality Tucker.

MR. CHAMBERS.—Yes: in reality Tucker. If one is Tucker, the other is Tucker: in fact the whole is a fraud.

MR. BARON PARKE.—You say the bill was obtained by fraud, and if you can make the letters evidence, you show a fraudulent misrepresentation, establishing the fact of the bill having been obtained by fraud, which might have thrown upon the plaintiff the necessity of proving that every one of the intermediate indorsers had given value.

MR. CHAMBERS.—Yes: that is what I submit.

LORD CHIEF BARON.—You may take your rule generally.

Rule Nisi granted.

RE HOLDITCH AND HOLDITCH.

Court of Bankruptcy, Basinghall Street, London, Jan. 15. This day a dividend meeting took place under the bankruptcy of Holditch and Holditch, of Bankside, cider merchants. The failure is about £12,000 in extent, and the assets will not realise 4s. in the pound.

Mr. Hilleary, of Fenchurch Street, attended as a solicitor for the estate of Messrs. Lyons; and Messrs. Wire and Child for the assignees. Mr. Hilleary requested to be allowed to examine one of the bankrupts. They had circulated above £8,000 of acceptances, which had been signed by a lawyer's clerk, at a salary of £50 per year, and Mr. Swaine, who was represented to live at Frome, in Somersetshire, but who really was not in existence.

Edward Duncan Holditch, one of the bankrupts, admitted that no consideration of value had passed for the acceptances, but declared Mr. Swaine was still living in lodgings at Frome. He had drawn upon a person named Johnson, and directed the bills to Hortan Kirby, two years after the latter had left that place. All the bills were made payable at Bankside, where they (the bankrupts) carried on their business.

After some further inquiry, the Commissioner directed the bankrupts to furnish a detailed account, and intimated that their conduct would be scrupulously investigated.

The bankrupts' examination stands over till the 19th of February.

SHREWSBURY & MARKET DRAYTON BANK.

At the *Birmingham Court of Bankruptcy*, on the 29th December last, in the matter of Charles Marsh Adams, and Charles Warren, Shrewsbury and Market Drayton, Bankers, the bankrupts came up for their last examination, but as the balance-sheet had not been filed in time for the meeting, the proceedings were adjourned to the 2nd of March next.—Various creditors were represented by Mr. J. Smith, of Birmingham; Mr. Saunders, of Kidderminster; and Mr. Barnaby, of Worcester.—Mr. Motteram, Solicitor to the assignees, adverted to a proof for £1,101 which had been put in on behalf of the Shrewsbury Savings' Bank, of which one of the bankrupts (Mr. Adams) was formerly treasurer.—The Learned Commissioner stated that the Savings' Bank having been duly certified, the present treasurer would receive the amount in full, but as he had no power under the bankruptcy law to make an order for payment in full, except in case of wages, it would be necessary to apply to the Vice-Chancellor for an order to enable the assignees to pay over the amount.

Trade Reports.

PROSPECTS OF THE COTTON TRADE.

[From Messrs. Du Fay and Co's Circular. Manchester, January 1st, 1848.]

The circular of these gentlemen is always important, and contains much sound information and excellent advice on commercial affairs. The present month's circular is more than usually important and interesting. We extract the following passages:—

Causes of the Commercial Distress.—It is a notorious fact, that it has taken the country a long time to right itself, after every crisis. Seven years have been named as having been requisite for that purpose, after that of 1825. The present crisis has been more violent than almost any other, but the effects will be of comparatively short duration. In 1825, about 120 country banks failed, and were mostly in a deplorable state of insolvency; great distress was caused thereby to the industrious classes and shop-keepers amongst whom the notes issued by these banks were circulating. In 1847, more than double the above number of failures of mercantile firms took place, but the losses fell chiefly upon the commercial community, leaving the working classes comparatively untouched. It is indeed a question whether the great fall which has been caused by the crisis in all articles of provision (the bulk of which is consumed by the working classes), has not on the whole benefited rather than injured them.

When we know, for instance, that rice has been sold during the crisis for the mere freight which it has cost to bring it; when we know that nearly all descriptions of produce have declined thirty to forty per cent. in price, and that our import merchants are now making enormous sacrifices in disposing thereof; we naturally ask, do these losses confer no good upon any one? Yes, upon the working man, who will be enabled thereby to live cheaper, and to pay the debts which he has incurred in previous years, if, as we anticipated, and now confidently expect, he will find full employment in 1848. The agricultural population has not suffered during 1846-7, the very high prices realised for wheat, &c. in 1846, and during the first six months of 1847, having afforded to them more than a compensation for the deficient harvest in 1846. It is notorious that there is more money circulating in the agricultural counties now than formerly, a fact which our bankers here are not only aware of, but have seriously felt when money was scarce.

Taking all these circumstances into consideration, we cannot come to any other conclusion than that the country will overcome the drawbacks of the two preceding years in a comparatively short time, should it be blessed, as is gene-

rally assumed, with an ample supply of food and cotton. The DIFFICULTIES we have laboured under, and the probable losses we have sustained in 1846-7, will be apparent from the following figures :—

Invested in railways, in 1846-7, at present unprofitable.....	£87,885,000	} Sources of difficulties.
Irish loan	10,000,000	
Importation of foreign corn, in fifteen months, on a sudden emergency, and before the trade under the new law had settled into regular channels..	33,000,000	
Estimated loss by the failures of mercantile firms, assumed in the aggregate to amount to £30,000,000. One-third actual loss thereon	10,000,000	
Falling off in the cotton trade in 1847, compared with 1846, as shown by our comparative statement	9,219,862	

This amount, large as it may appear, particularly to our more distant friends, is based upon something like sure data, and does not by any means include all the losses and depreciation of property, which have been sustained in Great Britain during the last two years. The loss and depreciation of railway property, and that infunda, Eschequer Bills, &c. &c., has been estimated by some at the enormous sum of £376,868,142!! The loss is, however, in a great measure imaginary; when times mend the said property will rise; as all persons who have bought such property merely as an investment, and those who are able to hold it, will gradually, (with the return of better times) be put in something like the same position as they were in previous to 1847. The means and patience of the railway shareholders will, we are afraid, be severely tried before that period arrives.

Home consumption of Cotton Goods in 1847.

Estimate of the difference in £'s of the sums accruing to the trade in Cotton Manufactures during the years 1845, 1846, and 1847, to pay for the expenses of fuel, machinery, drugs for dyeing, printing, bleaching, interest of capital, and every kind of wages, profit, &c., after deducting the actual cost of the raw material.

	1845. lbs.	1846. lbs.	1847. lbs.
Cotton consumed in Great Britain	592,581,600	598,260,000	439,277,720
Waste in spinning this, 1½oz. per lb.	64,813,612	65,434,687	48,046,000
Production of yarn in lbs.	527,767,988	532,825,313	391,231,720
Disposed of as follows :—			
Exported in yarns and thread.	136,618,643	159,301,482	119,422,254
" in manufactured goods, reduced into weight of yarn	221,032,974	217,693,617	191,969,597
Consumed at home and not otherwise enumerated.	170,116,371	155,830,214	79,839,869
As above	527,767,988	532,825,313	391,231,720
	1845. at 4½d. per lb. £	1846. at 5d. per lb. £	1847. at 6½d. per lb. £
Average cost of cotton in each year	10,802,269	12,463,750	11,668,314
Declared value, as per published statements	6,963,235	7,873,727	5,867,000

	1845. at 4½d. p. lb.	1846. at 5d. p. lb.	1847. at 6½ p. lb.
Declared value as per published statements	£19,156,096	£17,726,966	£17,100,000
Estimated in the same proportion as the declared value of the exported goods, plus ½	19,610,657	16,881,605	9,500,000
Total value of production	45,729,988	42,482,298	32,467,000
Deduct the cost of cotton as above	10,802,269	12,463,750	11,668,314

Sums remaining to be distributed, as stated above

34,927,719 30,018,548 20,798,686

The above estimate has been carefully compiled, taking the quantities exported from official lists (regularly registered by us), and reducing the manufactured goods into pounds weight of yarn at a well considered average for each article, and the respective country it has been exported to. This was the only mode of arriving at anything like a correct idea of the quantity and value of the cotton goods consumed in the home trade. In reducing the pounds weight of yarn consumed in this country, into the value they bear as goods in £'s, we have taken the same proportion as the declared value of the export of manufactured goods shows to the weight of the yarn, adding ½ as an equivalent for the superior descriptions of finished goods used in the home trade. The results are remarkable—showing clearly how trying the past year has been to the cotton manufacturing interest of the country, and to all who have been directly or indirectly engaged in that branch of trade. The balance remaining to be distributed, as explained in the above estimate was—

For 1845	£34,927,719
„ 1846	30,918,548
„ 1847	20,798,686

If we take it by per centage on the value of the production, it shows, in 1845 a per centage of 76½; 1846, 70½; and in 1847, 64.

The latter varying from 1845 (when the price of cotton was 2d. per lb. lower than 1847) fully 12 per cent. notwithstanding the notorious fact, that the quality of the articles produced is generally deteriorated whenever a material rise takes place in the price of cotton. Another striking feature which these tables show, is the great reduction which has taken place in the home consumption during the past year—indicating either the diminished means of the people to purchase articles of clothing, or an unusual reduction of the stocks of finished goods held over by the large home-trade houses from 1845 and 1846.

The proportion which the consumption in the home trade bears to the total production in the three years, is as follows in per centage:—

	1845.	1846.	1847.
Exported in yarns	25·89	29·98	30·79
„ goods	41·88	40·85	49·49
Leaves for home consumption	32·23	29·26	20·41
	100	100	100

The comparative large proportion of exports in 1847, is partly accounted for by the greatly increased shipments to the United States of America. The suffering in the manufacturing districts, both here and in Yorkshire, would have been intense, if our increased shipments to the United States of America had not afforded some compensation for the great falling off in other quarters which our trade has experienced in 1847.

Our usual annual statement of the exports of goods and yarns which we have the pleasure of laying before our friends, shows a decrease of our total sendings of,—

Cotton yarn lbs. 40,355,069
 Plain calicoes yds. 122,979,938

In those articles where an increase has taken place, the United States of America have either largely contributed towards it, or have caused it altogether, as will be seen from the table itself, to which we refer our friends for further particulars regarding the share which other countries have had in the exports of 1847.

IMPORTS and STOCKS of COTTON in the UNITED KINGDOM at 31st Dec. 1847, 1846, and 1845.

[From Messrs. Cunningham and Hinshaw's Circular.]

IMPORTS.	Liverpool.	London, &c.	Glasgow.	Total, 1847.	Total, 1846.	Total, 1845.
American	829,927	16,128	27,281	873,336	991,110	1,501,539
Brazil.....	110,065	271	294	110,630	84,178	111,047
Egyptian	20,667	..	..	20,668	60,668	81,415
W. India, &c...	5,507	706	346	6,559	13,040	9,020
East India....	122,049	86,535	14,218	222,802	94,696	155,039
Total, 1847..	1,088,215	103,640	42,139	1,233,994	..	..
Total, 1846..	1,134,420	57,125	52,149	..	1,243,694	..
Total, 1845..	1,652,023	94,408	111,629	..	..	1,858,060
Stock.						
American	214,800	3,620	20,900	239,320	302,900	693,010
Brazil.....	59,040	170	..	59,210	23,700	52,390
Egyptian	22,660	..	3,430	26,090	57,290	67,740
W. India, &c..	1,070	470	580	2,120	4,430	6,310
East India	65,960	49,740	9,500	125,200	157,470	241,080
Total, 1847..	363,530	54,000	34,410	451,940	..	..
Total, 1846..	438,970	65,120	41,700	..	545,790	..
Total, 1845..	885,480	95,320	79,730	..	..	1,060,530

Imports.—By the annexed tables it will be seen that the total import of the kingdom during the past year has been 1,233,994 bales, against 1,243,694 bales in 1846, and 1,858,060 bales in 1845.

Exports.—The total exports of the kingdom, have been 221,850 bales, against 194,200 in 1846, and 133,900 in 1845.

Consumption.—The deliveries from the various ports for home consumption have been 1,105,994 bales, or 21,270 per week, against 1,564,234 bales in 1846, or 30,080 per week, and 1,566,700 bales in 1845, or 30,130 per week. From Liverpool the deliveries have been 1,025,155 bales, or 19,710 per week, against 27,780 per week last year, and 27,630 in 1845. To this consumption, however, must be added some 30,000 or 40,000 bales, manufacturers having doubtless reduced their stocks to this extent, and, under the influence of depressed trade, and the prospect of liberal supplies for the ensuing year, brought them for the most part to a point as low as their immediate exigencies will permit.

Communications

To the Editor of the Bankers' Magazine.

ON THE CONTROL OF A BANKERS' ISSUES.

SIR,—If I rightly understand the argument of your correspondent, A. S., in his first communication to you, it is, 'That the state of the country bank issues in 1847, and their limitation during a period of high prices, has afforded conclusive evidence of the correctness of Sir Robert Peel's opinions, and has negated the assertions of country bankers—that their issues could not be either contracted or expanded at the will of the issuers.'

In reply, I suggested that the state of the issues in 1847 might be accounted for from other causes, and that in some measure it might be due to economy of arrangement on the part of the issuers. A. S. considers that my statements have corroborated his views; but it does not seem to me that this necessarily follows from the premises. To support his argument, A. S. should show not only that the country issuers have contracted their issues—in the face of high prices—to the limit required by the law, but also that they have kept them up, at least to those limits, at a time when, according to A. S.'s views, "the great demand for money and the high rate of interest paid for its use would be sure to call forth the cheap substitute for gold" to its full extent. But how stands the fact? Prices have fallen to a low level, and for months past, while the rate of interest has stood at its highest point, and while every inducement has existed to keep the circulation full, on account of the profit to be derived from it, the country bank issues have fallen two millions below their limit, and in many instances the banks have not more than 50 per cent. of their authorised issues in circulation. These circumstances appear to me quite irreconcilable with the notion that country bankers can enlarge their issues at pleasure.

The country bankers in 1844 asserted that they could not so increase their issues, and that they could not diminish them without supplying Bank of England notes or gold in their place. It is not, therefore, inconsistent with their argument to show that more rapid exchanges and other economical expedients may have tended to diminish their issues and to compensate in some degree for the increased currency which, under other circumstances, high prices would have demanded and obtained.

My only object has been to endeavour to set this point in its true light, and therefore I will not attempt to inquire whether a varying amount of note circulation has any influence on the foreign exchanges. I do not think that it has much influence. The state of credit, the disposition of capital in relation to the ordinary laws of supply and demand, appear to be the governing agents here. At all events, I do not think that it has hitherto been proved that the country bank issues have anything to do with the matter.

I am, Sir, yours, &c.,

R.

AS TO LIABILITY FOR NON-PRESENTATION OF BILL WHEN DUE.

SIR,—A complicated bill case having recently occurred here, I beg leave to trouble you with the particulars of it, and should feel greatly obliged by your opinion on the several questions arising out of it, in the next number of your valuable Magazine.

A B, of Dublin, remits by post, on the 1st December last, to D E, of Wells, a bill for £40, due on the 4th December, in London. The letter con-

taining the bill is not delivered to D E until the 3rd December, at night, and after the departure of the mail to London. D E takes the bill the following morning to his banker, to be forwarded to London for payment. It is forwarded by the first mail, and is delivered in London on the morning of the 5th December, and is presented for payment on that day, and is returned through D E's banker to him dishonoured. The bill had a case of need at Masterman & Co.'s, for the credit of the Hibernian Bank. D E returns it to his correspondent, A B, of Dublin, who demurs against receiving it, contending they are not liable, the bill not having been presented for payment on the 4th December, the day it fell due, whereas it was not possible for D E to have sent quicker to London, except by express. It is supposed that the acceptor of the bill had failed before its dueing.

1. Is D E guilty of laches, it being impossible for him to have sent the bill earlier for payment?

2. The bill having been presented the day after it fell due, ought it to have been noted for non-payment, which it was not, and how does this affect D E's banker and the other endorsers?

3. Ought it not, although the day after due, to have been presented at Masterman's, agreeably with the case of need?

4. As the bill, if everything had gone regularly, could not have arrived in London before the 4th December, and as one half of the postal journey was performed by sea, supposing all the other parties to be exempt from liability, ought A B, of Dublin, or D E, of Wells, to be saddled with the loss?

I am, Sir, yours, &c.,

Wells, January 14, 1848.

A SUBSCRIBER AND BANKER.

[1. We do not think D E was guilty of laches, in not sending the bill earlier.

2. The bill being a foreign bill, required a protest, of which noting is the commencement, and D E's banker may perhaps be responsible for neglecting this.

3. We think that the bill ought to have been presented at Masterman's, pursuant to the reference in case of need, and D E's banker may perhaps also be responsible for neglecting this.

4. We think, if the loss arose from the want of protest or the want of presentment at Masterman's, that D E ought to bear the loss, and look to his banker for indemnity; but if the loss proceeded from neither of these causes, and only from the bill not arriving in London sooner, then we think that A B, of Dublin, ought to bear the loss.—*Ed. B. M.*]

FRAUDS WITH BANKERS' BOOKS.—THE DAY BOOK.

SIR,—In answer to the question propounded by a "Bank Officer" in your Magazine for this month (January), I beg to state, that no form of day-book ever framed or that could be framed, could accomplish the object he proposes, viz., prevent fraudulent entries being made in the current account ledger, or in the general ledger, without the trouble of examining the vouchers.

Assuming the day book to be the ground-work of all the other books, and that it is correctly written up (which, however, can only be ascertained by examining every voucher with the entries in that book, and by the balance agreeing with the balance of the cash book), fraudulent entry could be made in either the general ledger or current account ledger, which would not be detected on balancing those ledgers, unless there was a corresponding entry made in another account in the same ledger; but this might simply be done.

Let the day book be in the following form:—

Dr. DAY BOOK, Thursday, 19th January, 1848.										Cr.			
	£	s.	d.	£	s.	d.		£	s.	d.	£	s.	d.
To Balance forward	10,000	0	0	Current Accounts									
Current Accounts				Thomas Ellis	300	0	0						
Samuel Smith	100	0	0	George Rose	400	0	0						
George Yond	300	0	0	Wm. Weir	250	0	0				950	0	0
Deposit Receipts				400	0	0	Deposit Receipts						
Wm. Willis	40	0	0				Wm. Willis	10	0	0			
John Reid	30	0	0				J. Reid	5	0	0			
Bills paid per				70	0	0	Bills received per				15	0	0
Journal				300	0	0	Register				400	0	0
							Balance				9,405	0	0
				10,770	0	0					10,770	0	0

Other headings of course would be required, but the above will suffice for a specimen.

The day book being ascertained to be correct, and the different castings or additions being carried to their respective places in the general ledger, that ledger may be balanced by taking out the balances of the various accounts, the difference between the Dr. and Cr. ought to agree with the balance of the day book. Let each of the items under the title of current accounts be posted (either from the vouchers or day book) to their respective places in the current account ledger, and the balance of that ledger ought to be the balance of the account entitled current accounts in the general ledger.

Now suppose an accountant wishes to make a fraudulent entry in the general ledger, and posts to current accounts £300 instead of £400, it is manifest that the general ledger would not balance. But if to conceal this fraudulent entry he were to post to deposit receipts £170 instead of £70, the ledger would balance the same as if it had been correctly posted. And the same with the current account ledger. One account might be credited £100 too little, and another account might be credited £100 too much, to prevent detection or carry out the object of the fraud.

From the above remarks I think it will appear, that no system of book-keeping could prevent fraudulent entries. This can only be done by a thorough examination or comparison of the entries with the vouchers.

January 20, 1848.

I am, &c.,

BANK ACCOUNTANT.

COLONIAL BANK.

At the usual half-yearly meeting, held the 11th January, ulto., at the London Tavern, the following Report was presented by the Directors, and the proposition agreed to by the Shareholders:—

The directors now submit to the proprietors, in pursuance of the provisions of the charter, the usual statement of the debts and assets of the corporation made up to 30th June, 1847; showing the amount of profit made by the Bank during the half-year ending at that period, viz.:—

Debts.									
	£	s.	d.		£	s.	d.		
Circulation	236,137	19	2						
Deposits and other liabilities	671,158	17	1						
Paid up capital	500,000	0	0						
Profit	22,236	2	10						
	£1,429,539	19	1						

	<i>Assets.</i>	£	s.	d.
Specie	173,973	13	4
Due to the bank in the colonies on bills discounted and purchased, including those past due, but reported good	593,663	15	1
Due to the bank in the colonies on cash credits and current accounts reported good	164,937	3	1
Due to the bank in London, on bills remitted, cash at bankers, &c.	449,731	0	9
Balance of bad and doubtful debts	29,431	10	3
Bank premises and furniture in London and the colonies	17,795	16	7
		<u>£1,429,532</u>	<u>19</u>	<u>1</u>

From the amount of profit stated above, it will be observed that the directors were fully justified in saying in their last report, that the business of the bank was then going on satisfactorily. The disastrous occurrences which since that period have arisen in monetary and commercial affairs, not only in this country, but throughout the world, must be so well known to the proprietors generally, that it is considered unnecessary to do more than to advert to the fact; but there are other and peculiar circumstances which have operated to the serious injury of the West India colonies, in reference to which it is thought right to enter more into detail for the information of those who, from not being engaged in commercial pursuits, nor connected with the West Indies, are most likely unacquainted with them.

The comparative prices of British plantation sugars (of the same quality) at the commencement and termination of the year 1847, as stated below, will show the ruinous depreciation which has occurred in the value of this principal product of the West Indies, mainly, if not entirely, caused by the admission to home consumption of slave-grown sugar, in contravention of the pledges to the contrary given by the Government and the country through Parliament.

Sugars which, on the 16th of February, 1847, were quoted in bond 33s. to 42s. per cwt., on the 24th of December, 1847, were quoted in bond, 19s. to 27s. per cwt.

In order to estimate the full extent of the depreciation, it is necessary to explain that the charges to be deducted from the above prices remain as nearly as possible without variation. Taking freight, insurance, and other charges, therefore, to be 6s. per cwt., £3s. will leave a net price of 27s., whilst 19s. will leave only 13s., or a fall of upwards of 51 per cent.

Immediately on the occurrence of the last change in the sugar duties, in the year 1846, the directors, fearful of the injurious effect it would have upon the value of West India produce, but by no means expecting it would operate to the extent it has done, transmitted cautionary instructions to the branch managers, who have acted in accordance therewith, as far as possible; but the fall in prices, as shown above, has proved so unprecedentedly heavy as to baffle all ordinary calculations.

With the Produce Market in such a state, and with the numerous failures which have occurred, proprietors will not be surprised to learn that many bills have been dishonoured and are at present in abeyance, from which the bank must sustain loss, but to what extent it is at this period impossible to ascertain.

In consequence of the restrictive measures which recent events have rendered necessary, the business of the corporation has been contracted. Additional causes have arisen which must operate still further in curtailing the business of the bank at this moment, for at the dates of the latest intelligence from the colonies some of the islands (Barbados and Trinidad in particular) were suffering under a monetary crisis, occasioned by the West Indian Bank

having suspended specie payments. The directors are happy to state, that, although several branches of the Colonial Bank, situated in those islands wherein the West India Bank has also branches, had experienced some pressure, they had readily met all demands upon them; and the directors feel confident that all the branches will be well able to do the same, judging from the tenor of the advices from the managers, notwithstanding they were not at that time aware that the directors had made considerable shipments of specie from hence, which are most probably in possession of the managers by this time, and had taken steps for a further supply, which will reach them by degrees afterwards, unless it should be found unnecessary in the West Indies, when it will come on here.

The directors have had much anxious deliberation respecting the appropriation of the profit made during the half-year ending June 30, 1847. On a review of the arguments which might be adduced for and against the declaration of a dividend, they have been fully alive to the disappointment which may very naturally be experienced by many on being deprived of that income from their stock in this bank, which, from the cheering tone of the last report, they may have been led to calculate upon; and the directors would willingly have spared this disappointment had circumstances permitted; but when they reflect that there is still a balance of old and bad debts unprovided for—that new losses must arise from recent transactions—and that, above all, the produce market still remains in the same ruinously depressed state,—looking also to diminished profits, at least, for a time, as already explained, they cannot consider themselves justified in recommending the declaration of a dividend. They consequently propose that the sum of £22,236 2s. 10d., being the amount of profit made during the half-year ending 30th June, 1847, after deducting all current expenses, be carried to the credit of bad and doubtful debt account, which will reduce the balance to £7,195 7s. 5d.

The directors cannot conclude this report without reverting to that measure which, in their judgment, is to be considered as almost the entire cause of the unexampled depression under which the West Indies, and all connected with them, are now suffering, viz.,—the act of parliament of 1846, by which foreign slave-grown sugar is admitted to home consumption at such rates of differential duty as, even now, to allow it to be brought into successful competition with British free-labour sugar, and by which it will be admitted in the year 1850 at the same rate as British. The directors do not hesitate to express their opinion, founded upon their intimate knowledge of the operation of that act to the detriment of British colonial prosperity, that, unless the act of 1846 shall be altered in such manner as will admit of the cultivation being carried on to a profit, the West India colonies must be ruined. This has been earnestly represented to Her Majesty's Government by the directors, and by almost all parties having a stake in the colonies, but hitherto without effect. The directors now urge upon the proprietors generally to exert whatever influence they may possess, direct or indirect, to induce Her Majesty's Government to make such a change in the sugar duties as will afford that degree of support to British colonists against the competition of foreign slaveowners which alone will have the effect of recovering them from the prostrate condition to which that competition has reduced them.

Until some such change as this is effected the bank will be compelled, for its own safety, to restrict its assistance to colonists more and more, the consequence of which must be a continued diminution in the business of the bank.

The interests of the West India colonies and of the Colonial Bank are so identical that proprietors in both should combine in their exertions for the promotion of their common welfare.

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—Ed. B.M.]

BANK OF AUSTRALASIA.

Statement by the Directors of the Bank of Australasia, to the Proprietors assembled at the Half-Yearly Meeting, held at the Office of the Corporation, No. 8, Austin Friars, on Friday, December 17th, 1847.

1. In accordance with the wish expressed at the half-yearly meeting, in December last, that the directors should present a written statement at these meetings instead of a verbal one, they now submit to the proprietors the following observations.

2. The most important point to which the directors have to advert, as naturally engrossing the anxious attention of the shareholders at this moment, is the appeal now pending before the privy council in the suit against the bank of Australia. On this subject the directors have to state, that the hearing of the appeal commenced on Friday the 10th, and terminated on Tuesday the 14th instant. Counsel on both sides were heard, but the judgment of the court has not yet been delivered.

3. The business of the Sydney and Maitland branches is generally well reported upon by the superintendent and managers, and is stated to be of a sound and legitimate character; but the dearth of labour continued to press severely upon the agricultural interests, which will suffer still further from the diminished prices obtained for wool in this country. This state of things has naturally acted in an unfavourable manner upon the securities held by the bank, which have not only remained inconvertible, but have also been in a great degree unproductive, and the directors are apprehensive that further losses must be expected on the old accounts at Sydney. The want of labour, however, it is to be hoped, will be in some measure mitigated by the renewal of the Government system of free emigration, which for a few years past had been suspended; and efforts were likewise being made in the colonies to introduce natives from the adjacent islands; but the experiment was of too recent date to admit of any opinion being formed of its ultimate success.

4. A decided improvement had taken place at Melbourne; and the Geelong branch, lately established, though not at present of much importance, was likely to prove a valuable auxiliary to it; but the effects of the deficiency of labour were also operating prejudicially on the interests of the Port Phillip district.

5. The superintendent has been actively engaged in Van Dieman's Land, where the directors are happy to say that affairs are assuming a more favourable appearance. The reports from Hobart Town are satisfactory; and at the Launceston branch, which it will be remembered was an object of solicitude at the date of the last report, the directors have just grounds to hope that the loss may be less than was apprehended. Mr. Hart has been ably supported by his assistant, Mr. J. J. Falconer, who has had the charge of the business at Launceston since the retirement of the late manager; and it is but just to say, that to their exertions and assiduity must be ascribed the improved condition of that branch.

6. The transactions of the Adelaide branch have rapidly increased, but it has been deemed necessary to repeat the cautions given to the manager regarding the extent of his operations, with the view of preventing the bank being involved in loss from the extensive mining operations that are now going on in the Colony.

7. The profits of the current year promise to equal at least those of the last.

8. The directors have the pleasure to announce the safe arrival of Mr. Atherton at Sydney on the 26th July; but, in consequence of Mr. Hart's temporary absence in Van Dieman's Land, they had not had an opportunity of conferring together. Mr. Atherton was, however, in the meantime, making himself acquainted with the state of affairs at that branch.

9. The directors cannot conclude this short statement, without adverting to the extraordinary money crisis which has lately affected the mercantile community at home. They are, however, glad to mention, that the bills received up to the present period from the colonies, on houses which have stopped payment, are not of large amount, and are not expected to involve any material loss. At the same time, the directors await with interest the effects which late unfortunate events may produce in the colonies.

Return of the Aggregate Average Amount of the Liabilities and Assets of the Bank of Australasia, as well in England as in the Australasian Colonies, from the 12th day of October 1846 to the 12th day of April 1847. (From the *London Gazette*.)

	£	s.	d.
Bills in circulation, not bearing interest ..	99,247	7	5
Notes in circulation, not bearing interest ..	106,716	8	5
Bills and notes in circulation bearing interest ..	—	—	—
Balances due to other banks ..	—	—	—
Cash deposited, not bearing interest ..	587,597	14	5
Cash deposited, bearing interest ..	21,807	7	8
Total liabilities of the Corporation ..	£815,368	17	11

	£	s.	d.
Coin and bullion ..	307,115	7	8
Landed property of the corporation (bank premises) ..	23,090	8	11
Bills of other Banks ..	—	—	—
Balances due from other banks ..	—	—	—
Debts due to the corporation, including notes, bills, and government securities ..	1,457,656	16	11
Total assets of the corporation ..	£1,787,862	13	6

THE BANK OF FRANCE.

The Quarterly Account of the Bank of France for the three months ending the 27th of December, gives the following statement of its present position as compared with the quarter ending the 25th of September, so far as regards those items of the account which are subject to variation.

On the debit side of the account:—

	Sept., 1847. Francs.	Dec., 1847. Francs.
Bank notes outstanding ..	230,143,811	234,180,423
Treasury accounts ..	66,566,476	65,342,280
Private accounts ..	49,687,249	49,335,135
Dividends payable ..	707,675	6,700,629
Sundry accounts due ..	4,085,340	1,450,471
	351,190,551	357,008,938

	Sept., 1847. Francs.	Dec., 1847. Francs.
On the other side of the account :—		
Cash in hand.. .. .	94,580,323	109,642,350
Commercial bills discounted (including those on Paris discounted by branch banks) ..	201,377,567	183,105,458
Advanced on bullion.. .. .	208,500	442,100
Advanced on public securities	10,339,202	11,769,802
Private accounts current	71,128,718	84,289,089
Deposited in public securities	272,399	2,773,992
Balance of government stock sold, but not yet paid for.. .. .	14,449,994	6,348,408
	<u>392,356,703</u>	<u>398,371,198</u>

From this statement it appears that the bank notes in circulation have increased about 4,000,000*f.*, while the stock of bullion has increased about 15,000,000*f.*, so that as far as concerns the balance of the cash assets of the bank when compared with their liabilities on bank notes, their position has been improved to the extent of about 11,000,000*f.*, or about £430,000.

About 8,000,000*f.* have been received the last quarter on account of the government securities previously sold, leaving only about 6,300,000*f.* to be yet received from the Russian government as balance of this transaction. The amount of government securities purchased since the sale to Russia has, however, increased from the mere nominal sum in September of 272,000*f.* to the amount at present of 2,774,000*f.*

The treasury account remains nearly the same as before; and the same remark may be applied to the private account and the advances on bullion and stock.

The amount of commercial bills under discount has decreased about 18,000,000*f.*; and the total amount discounted during the quarter, including the branch banks, shows a decrease of 31,000,000*f.*

LONDON JOINT-STOCK BANK.

At the general meeting of the shareholders on the 13th January, ulto., the secretary read the report of the directors, as follows :—

It will be seen from the accompanying statement of the affairs of the bank, that during the six months ending the 31st ult. a net profit of £23,847 1*s.* 9*d.* has been realised, which, with the undivided profits, amounting to £16,663 1*s.* 6*d.*, brought forward from the preceding half-year, makes a total of £40,510 16*s.* 3*d.*, and enables the directors to declare the usual dividend, after the rate of £6 per cent. per annum; and also a bonus of 7*s.* 6*d.* per share, both free from income tax, leaving a small balance of £10 16*s.* 3*d.*, which has been carried to the credit of the guarantee fund, together with interest thereon, in conformity with the provisions of the deed of settlement, whereby that fund is augmented to £123,759 1*s.* 7*d.*

The shareholders cannot but be aware that the period embraced by these accounts was one of extraordinary difficulty and derangement in the commercial and monetary affairs of the country, and the numerous failures which have occurred in almost every branch of trade will have prepared them for the unusual amount of the item in the statement of profit and loss, which comprises the losses by 'bad debts'; indeed, the directors feel confident that, viewed with reference to the severity of the late crisis, their participation in the disasters of the past six months will be regarded as less than could have been anticipated, and the result of their operations as a subject of congratulation.

The directors have, however, to inform the shareholders, that the above-mentioned item also includes a loss of £6,000, which they regret to say the bank has sustained by the defalcation of one of their clerks, on the establishment of the Western Branch, now under prosecution.

By the established rotation, the directors who now retire are Sir George Carroll, Alderman; William James Lancaster, Esq.; John Christopher Lochner, Esq.; Sir John M^cTaggart, Bart., M.P.; and George Scholefield, Esq., who offer themselves for re-election: and William Blount, Esq., a duly qualified shareholder, has also given notice that he is a candidate for a seat in the direction.

The dividend and bonus will be payable on and after the 21st instant.

Liabilities and Assets, Friday, Dec. 31, 1847.

<i>Dr.</i>		£	s.	d.
To capital paid up—viz., 60,000 shares at £10 each	..	600,000	0	0
To amount due by the bank	..	1,971,912	8	1
To amount of "The Guarantee Fund,"	..			
June 30, 1847	..	£121,919	9	6
To six months' interest on ditto, at £3 per cent. per annum	..	1,818	15	10
			123,748	5 4
To undivided profit for the last half-year	..		16,663	1 6
To balance carried to profit and loss account	..		73,272	14 6
			£2,785,596	9 5

<i>Cr.</i>		£	s.	d.
By Exchequer Bills, India Bonds, &c.	..	382,760	15	2
By bills discounted, loans, and cash	..	2,373,210	14	3
By building, furniture, &c., in Princes Street	..	£19,250	0	0
By ditto, in Pall Mall	..	10,375	0	0
			29,625	0 0
			£2,785,596	9 5

Profit and Loss Account for the half-year ending Dec. 31, 1847.

<i>Dr.</i>		£	s.	d.
To current expenses, proportion of building expenses, directors' remuneration, bad debts, income tax, &c.	..	39,106	6	1
To amount carried to profit and loss, new account, being rebate of interest on bills discounted not yet due	..	10,318	13	8
To amount transferred to the credit of the "Guarantee Fund," in addition to the above amount of £123,748 5s. 4d.	..	10	16	3
To dividend account for the payment of half-a-year's dividend, at the rate of £6 per centum per annum, upon £600,000, amount of paid up capital upon 60,000 shares.	..	18,000	0	0
To ditto for payment of a bonus of 7s. 6d. per share	..	22,500	0	0
			£89,935	16 0
<i>Cr.</i>		£	s.	d.
By balance brought down	..	73,272	14	6
By undivided profit brought forward from the last half-year	..	16,663	1	6
			£89,935	16 0

The Report and its suggestions were adopted, and, in answer to a question put by a proprietor, the chairman stated that the original loss sustained by the bank by the defalcation of their clerk had been something under £8,000.

HIBERNIAN BANKING COMPANY.

At the Half-yearly Meeting the Report of the Directors announced the net profits for the year 1847, at £19,610 15s. 10d., and the probable losses for the year at between £5,000 and £6,000. The usual dividend at the rate of 5 per cent. was declared.

COMMERCIAL BANK OF ENGLAND.

This Bank stopped payment in the year 1839, and the directors have since that time been engaged in winding up the affairs. They lost the whole amount of their paid-up capital, and like the Bank of Manchester, had to make a further call upon the shareholders to meet the liabilities—a call of 30s. per share. Out of the wreck, they were enabled last year to make a return of a few shillings per share, and, on the 13th October last, they issued the following circular announcing a further return of 3s. per share:

“The directors appointed to wind up the affairs of the Commercial Bank of England have the pleasure to announce a further return of three shillings per share to those shareholders who paid the call. The directors would not have had the means of returning this amount had they not been enabled to accomplish the unexpectedly early and favourable realization of a portion of the assets. They have considered with anxious deliberation the subject of the return, and have concluded to distribute the utmost possible amount which can be spared consistently with the safety of the shareholders, and the satisfactory winding up of the bank's affairs. If a further return should eventually be made, it can only be expected at a distant period, when the direct and contingent liabilities being all discharged or provided for, and the whole of the assets realised, the directors may find themselves in such a situation as will warrant them in the dissolution of the company. The directors, in the eighth year of their labours, have still to lament the necessity which exists for the continuance of their exertions; but while they retain the esteem and support of the great body of the shareholders, they will not shrink from remaining in office, notwithstanding the personal inconvenience to which they are subjected by so doing. The directors embrace this opportunity of stating that the sum of £500 which the general meeting awarded to be distributed by the inspectors, has been paid, under their direction to the following gentlemen:—Mr. Ibotson Walker, Mr. W. F. Johnson, Mr. David Price, Mr. Wm. Young, and Dr. James Ogden.”

BANK OF LIVERPOOL.

The sixteenth annual meeting was held on the 10th September last, when the capital of the company was shown by the report to amount to £625,000. The net profits of the year, after payment of the current expenses, provision for bad and doubtful debts, and Income Tax, amounted to £79,757 14s. 8d. From this sum the proprietors had received two dividends of 5s. each, amounting to £62,500, and the surplus had been carried to the reserve fund, total amount of which was £269,467 15s. 8d.

STOURBRIDGE AND KIDDERMINSTER BANKING COMPANY.

The thirteenth annual report shows by the accounts for the year ending 30th June last, a clear surplus profit of £13,222 0s. 10d. From this sum the dividend of 7s. 6d. per share for the half year ending 31st December, 1846, amounting to £3,750, must be deducted; and the balance of £9,472 0s. 10d. was applied in increasing the dividend for the past half year from 7s. 6d. to 10s. per share, and the residue, after a sum kept in reserve for the Income Tax, was added to the guarantee fund. The reserve showed a total of £26,339 14s. 11d., of which £25,000 was transferred to the capital account, being at the rate of £2 10s. per share, increasing the paid-up capital from £75,000 to £100,000; and the surplus went to form the nucleus of a further reserve fund.

HAMPSHIRE BANKING COMPANY.

The proprietors of this bank held their thirteenth annual meeting on the 3rd August last, when the directors reported that, after paying all expenses and a dividend at the rate of £7 10s. per cent. per annum for the half year ending the 31st December, 1846, they were enabled to pay a further dividend of £3 per cent. per annum, clear of Income Tax, for the half year ending 30th June, 1847, and to make an addition of £2,036 6s. 3d. to the guarantee fund, which would then amount to £19,330.

LINCOLN AND LINDSEY BANKING COMPANY.

The annual general meeting of this company was held on the 15th July last, when the profits of the year were stated to amount to £10,800 3s. 10d. after deducting all expenses and the Property Tax. A dividend of £10 per cent. upon the paid-up capital was then declared.

CUMBERLAND UNION BANK.

The eighteenth annual general meeting of this company was held at Workington, on the 27th July last, when the profits for the year ending 30th June last, after deducting all losses and expenses, were stated to be £8,257 13s. 7d., and a dividend of £10 per cent. on the increased capital of £50,000, with a bonus of £2 per cent., were declared payable at the usual time; and it was ordered that £1,830 1s. 5d. should be carried to the guarantee fund; which, with interest thereon, and this addition, will then amount to £14,000, and, that £427 12s. 2d., the remaining balance of profit, should be carried over to profit and loss for the ensuing year.

The proprietary funds of the company now are—

	£	s.	d.
Capital	50,000	0	0
Guarantee Fund.....	14,000	0	0
Unappropriated Profit	427	12	2

Making a total of £64,427 12 2
in place of £20,000, originally paid by the proprietors, at the rate of £10 per share, on 2,000 shares.

Established, 16th February, 1829.—Shareholders, 151.—Paid-up capital, £50,000.—Guarantee fund, £14,000.—Price of shares, £53.—Paid-up per share, £25.—Dividend, £10 per cent.—Bonus, £2 per cent. London agents—Barclay, Bevan & Co.

NOTTINGHAM AND NOTTS BANKING COMPANY.

At the last annual meeting, the report read showed that the net profit upon the year ending 30th June last, amounted to £6,041 0s. 2d.; of this there had been appropriated to the payment of two half-yearly dividends of 4s. 6d. per share the sum of £3,659 12s. 6d., and the balance was carried to the new reserved fund, which amounted to £5,507 1s. 10d.

WHITEHAVEN JOINT-STOCK BANKING COMPANY.

By the report read at the eighteenth annual meeting, on the 2nd August last, it appeared that the profits of this bank during the past year, after deducting all losses and the usual expenses, amounted to £5,176 6s. 11d. A dividend of £12 per cent. was declared out of this sum, leaving a balance of £316 2s. to be carried to the next year's account. The surplus fund amounts to £15,000.

FLUCTUATIONS IN CONSOLS SINCE 1822.

The following parliamentary paper, showing the highest, and the lowest, and the mean price of 3 per Cent. Consols, during each year, in the 25 years ending the 5th April last, has just been issued:—

		Highest Price.			Lowest Price.			Mean Price.		
From	Apr. 6. Apr. 5.		£	s. d.		£	s. d.	£	s. d.	
1822 to 1823	1822, Oct. 26..	83	2	6	1823, March 1..	72	0	0	77 11 3	
" 1823 to 1824	1823, Dec. 30..	87	5	0	1823, April 8..	74	0	0	80 12 6	
" 1824 to 1825	1824, April 28..	97	5	0	1824, July 21..	91	2	6	94 3 9	
" 1825 to 1826	1825, April 6..	93	10	0	1826, Feb. 14..	73	17	6	83 13 9	
" 1826 to 1827	1826, Nov. 18..	84	12	6	1826, July 20..	76	10	0	80 11 3	
" 1827 to 1828	1827, Aug. 1..	89	12	6	1827, May 4..	81	15	0	85 13 9	
" 1828 to 1829	1828, June 28..	89	12	6	1828, April 10..	83	10	0	86 0 0	
" 1829 to 1830	1829, Dec. 30..	95	15	0	1829, May 1..	86	10	0	91 2 6	
" 1830 to 1831	1830, Apr. 12..	93	17	6	1831, Mar. 10..	74	12	6	84 5 0	
" 1831 to 1832	1831, May 31..	84	17	6	1831, April 27..	78	2	6	81 10 0	
" 1832 to 1833	1833, Jan. 5..	89	0	0	1832, July 23..	82	10	0	85 15 0	
" 1833 to 1834	1834, March 5..	91	15	0	1833, Oct. 14..	86	10	0	89 2 6	
" 1834 to 1835	1834, June 3..	93	5	0	1834, Aug. 29..	89	0	0	91 2 6	
" 1835 to 1836	1835, April 23..	93	2	6	1835, Aug. 11..	89	2	6	91 2 6	
" 1836 to 1837	1836, July 13..	93	0	0	1836, Nov. 22..	86	12	6	89 16 3	
" 1837 to 1838	1837, Nov. 30..	94	2	6	1837, April 13..	90	5	0	92 3 9	
" 1838 to 1839	1838, June 29..	95	10	0	1839, Feb. 7..	91	17	6	93 13 9	
" 1839 to 1840	1839, June 12..	94	2	6	1839, Sept. 3..	89	5	0	91 13 9	
" 1840 to 1841	1840, June 3..	93	10	0	1840, Oct. 8..	85	15	0	89 12 6	
" 1841 to 1842	1841, Apr. 15..	90	12	6	1841, Oct. 11..	87	2	6	88 17 6	
" 1842 to 1843	1843, Mar. 10..	97	5	0	1842, July 15..	90	2	6	93 13 9	
" 1843 to 1844	1844, April 4..	99	17	6	1843, June 8..	92	2	6	96 0 0	
" 1844 to 1845	1844, Dec. 2..	101	7	6	1844, June 13..	97	17	6	99 12 6	
" 1845 to 1846	1845, June 3..	100	12	6	1845, Dec. 13..	91	17	6	96 5 0	
" 1846 to 1847	1846, May 28..	97	5	0	1847, Mar. 15..	87	17	6	92 11 3	

The above table has been prepared by Messrs. Mullens, Marshall & Co., the stock-brokers to the Commissioners for the Reduction of the National Debt.

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF JANUARY, 1848.

THERE has been a most striking contrast between the condition of the money market during the present month, and its condition at almost any period during the preceding year and a half, but especially during the last six months. There has been a return in no slight degree of the phenomena which distinguished the experience of 1843 and 1844, and the difficulty has not been with *borrowers* on good security to find *lenders*; but with *lenders* confining themselves to such conditions to find *borrowers*. In other words, there has been a partial return of that superabundance of ready capital, which, a few weeks ago, in the opinion of many acute people, was a most unlikely event. The Bank returns hereafter quoted, will show that at 5 per cent. the directors experience an exceedingly small demand for advances, and there is a general complaint among the discount houses that employment for their funds in the negotiation of good paper is a matter of very great difficulty. There is no doubt, that in the somewhat fastidious classification which distinguishes this "good paper," rests no small share of the impediment. The events of October are still too recent to permit the free circulation of any bills which are not of a very superior description, and while it is quite true that there would be no difficulty in placing funds in the discount of ordinary trade acceptances, we can easily understand that there may be a very limited demand for accommodation among houses of first class eminence. The phrase, therefore, of cheap money must be read subject to an important reservation. Money is very cheap only to a very select class. It is gradually becoming cheaper to the general body of those who habitually find employment for by far the largest portion of it.

Encouraged, and we think justly encouraged, by the returning ease of the Money Market, the Railway Companies have resumed a vigorous prosecution of their works, and the periodical "calls" are again becoming of large amount. The calls advertised for the last and present month have been—

December, 1847.....	£2,358,670
January, 1848.....	4,677,075
	£7,035,745

We never concurred in the vehement clamour raised against the Railway Companies as the parents—almost the exclusive parents—of all the mischief which signalled the early part of the autumn. We have from the first regarded the railway expenditure as purely a question of *degree*, and we can only repeat now, what we have already stated more than once, that an outlay of about 25 millions per annum, so long as the country is kept free from artificial panics and pernicious legislative interference with its banking economy, will be a source not of danger but of prosperity and safety. We entertain a strong opinion that the severe shock sustained in October can be traced by the clearest evidence to the mischievous operation of the present Bank Charter Act.

The decline of the rate of interest has of course forced up the price of the public funds, and the improvement in their value has also been aided by other circumstances. A suspicion has got abroad, either on good or bad foundation, that the accounts of several of the leading railway companies have been very loosely managed, and statements are made that in some cases a factitious appearance of prosperity has been kept up by the payment of dividends, not out of actual profits, but out of subscribed capital. We have no means of judging how far these suspicions have any just foundation, but at all events they have not failed to influence the price of railway property most prejudicially; we observe for example that from the middle of December to the present time, while the price of consols and exchequer bills has increased some three or four per cent. the value of the shares of the *London and North Western*, the *Lancashire and Yorkshire*, and several other principle lines of railway, has either been

stationary or has receded. If this unfavourable symptom should lead to its proper and legitimate consequence of a full and patient investigation of the concerns of each company, the benefit will greatly outweigh the inconvenience. The next month will witness most of the half-yearly meetings, and our advice to all persons interested in railway property shall at least be brief and practical:—Attend the meetings yourselves, and if you are not satisfied with what you hear do not hesitate to say so.

The near approach of the session of Parliament has naturally directed the attention of the Stock Exchange to the probability of a funding of Exchequer-bills. It is alleged that the quantity in circulation has been shown by the weakness of the market on so many occasions to be excessive, that for the sake of its own credit the Government will scarcely venture to run the hazard of this portion of their obligations falling to a discount, or being retained above par only by a rate of interest considerably higher than is paid on the funded debt. There is considerable force in this argument; but the present Chancellor of the Exchequer has a peculiarity of vision which does not always see things in the same light as the rest of the world, and it will not surprise us to see him try the experiment of leaving the quantity untouched and *reducing* the rate of interest.

THE STATE OF TRADE

continues to be unsatisfactory. The want of employment in Lancashire is not so severe as it was, but the complaints of indifferent markets and short time do not abate.

THE CORN TRADE.

The weekly returns for England and Wales have been as follows:—

Weeks ended, 1847-8.	Qrs. sold		Weekly average.			Six Weeks' average.		Duty.		Corresponding Six Weeks Last Year.	
			s.	d.		s.	d.			s.	d.
Dec. 18 ..	119,996 ..		52	2	..	52	10	nil	..	59	11
„ 25 ..	125,034 ..		53	0	..	52	9	„	..	60	0
Jan. 1 ..	109,435 ..		53	11	..	52	8	„	..	60	9
„ 8 ..	103,222 ..		53	10	..	52	10	„	..	62	1
„ 15 ..	105,184 ..		53	5	..	53	1	„	..	63	10

These figures sufficiently indicate the stationary character of the corn markets throughout the month. The discrepancy between the quantities brought to market during last year and the present still continues. Thus, in the three first weeks of January, 1847, and 1848, the sales have been—

January, 1847 ..	409,520 quarters.
„ 1848 ..	317,841 „

Difference .. 91,679 „

or a difference of nearly 100,000 quarters in only three weeks.

THE AMERICAN EXCHANGE.

Very greatly to the surprise of most people, the last two or three packets from America have brought us news of the existence, at New York, and some other places, of considerable financial pressure. The phenomenon appears to resolve itself into a sudden collapse of the Exchange on England, occasioned by the excess of American imports over American exports, and the discredit occasioned at New York, as to the solvency of English houses, by the failures here in the month of October. There was thus a large demand for bills against, under any circumstances, a small supply, but under the peculiar circumstances against a small supply still further contracted by an artificial cause. There seems to be little reason to fear but that the state of things will speedily resume its ordinary equilibrium, and the present embarrassments disappear.

BANK OF ENGLAND RETURNS.

The Returns have been—

LIABILITIES.

Date. 1847-8.	Circulation.	Public Deposits.	Private Deposits.	Total Deposits.	Rest.	Total Liabilities.
Dec. 18 ..	18.61 ..	8.76 ..	8.60 ..	17.36 ..	3.61 ..	39.59
25 ..	18.63 ..	9.23 ..	8.24 ..	17.47 ..	3.62 ..	39.72
Jan. 1 ..	18.73 ..	9.01 ..	8.52 ..	17.53 ..	3.64 ..	39.90
8 ..	19.41 ..	5.41 ..	10.86 ..	16.27 ..	3.68 ..	39.36
15 ..	20.00 ..	4.33 ..	10.67 ..	15.00 ..	3.72 ..	38.73

ASSETS.

Date. 1847-8.	Public Securities.	Private Securities.	Bullion in Banking De- partment.	Bullion in Issue De- partment.	Total Bullion.	Total Assets.
Dec. 18 ..	11.00 ..	16.60 ..	8.23 ..	3.76 ..	11.99 ..	39.59
25 ..	11.06 ..	16.43 ..	8.41 ..	3.82 ..	12.23 ..	39.72
Jan. 1 ..	11.06 ..	16.44 ..	8.48 ..	3.92 ..	12.40 ..	39.90
8 ..	10.99 ..	15.79 ..	8.01 ..	4.57 ..	12.58 ..	39.36
15 ..	11.20 ..	14.70 ..	7.73 ..	5.09 ..	12.82 ..	38.73

The evidence afforded by these figures appears to be decisive as to the propriety of the last reduction made by the directors in the rate of interest. On the 23rd Dec. (1847) they reduced their minimum rate from 6 to 5 per cent. per annum, and between that date and the 15th January (1848), something like three weeks, their private securities have been diminished to the extent of *two millions*. With every deference to the ingenious reasoners who regarded the measure of the 23rd December as a premature step, we must be allowed to say that it will be no easy task to find any parallel case in which the evidence has been so palpable, that in announcing lower terms, the Bank has not been *before* but *after* the market.; if 5 per cent. had been the smallest trifle below the market rates of the time, we should infallibly have seen, not a reduction, but an augmentation in the column of discounts. The extraordinary "run off" which in three weeks has diminished the business of the establishment by two millions, is quite decisive against all those who talk about a formidable creation of cheap money, and the pernicious consequences of a bad example. During the present month the decline in the rate of interest has been so rapid—consols have been pledged on the Stock Exchange at $1\frac{1}{2}$ per cent., and we have heard of bills discounted at $3\frac{1}{2}$ and $3\frac{3}{4}$ per cent.—that we could scarcely expect, even under its former management, that the Bank would continue, for any long time, to sacrifice its direct interests by the exaction of obsolete terms. For it is quite clear that any body of persons who demand £3 10s., are not likely to be killed by a pressure of employment. Under the existing system, which places the Bank under the strongest obligations to give the public and their proprietors the full benefit of the "most unlimited competition" in the business of discounts, it would be unreasonable to suppose that the present prohibitory price will be retained much longer, if the present condition of the money market continues. Upon the general question of the policy of placing the Bank of England upon the footing of a mere banking house, bound *only* to consider its own immediate interests, our opinions remain unchanged. We believe that a more dangerous measure was never adopted, nor one, which from the very first, has so signally belied all the prognostications of its promoters.

27th January, 1848.—Reduction of the Rate of Discount to 4 per cent.—Since the preceding remarks were written, the directors of the Bank of England, at the weekly meeting of the court, held to-day, agreed to a reduction of the minimum rate of discount from *five to four per cent.* on three months' bills, and other usual securities.

Notes of the Month and Intelligence.

BANKRUPT MEETINGS.—*Richard Porritt, Huddersfield, Banker, Jan. 18, Feb. 8, at 12 o'clock, at the Leeds District Court of Bankruptcy: solicitors, Messrs. Williamson and Co., Great James-street, Bedford-row; and Messrs. Bond and Barwick, Leeds; official assignee, Mr. Hope, Leeds.*—From the *London Gazette*, 7th January.

THE ROMFORD BANK.—The Commissioner of Bankrupts to whom application was made to grant Mr. Johnson (the bankrupt) his certificate, has declined to accede to the request. We shall endeavour to give the observations of the Commissioner on the subject next month.

NORTH WESTERN BANK OF INDIA.—With reference to the notice in our last number, of the refusal of the London Agents of this Bank to accept its drafts *pro tem.*, we are glad to be able to state, that on the arrival of the India Mail the drafts were immediately honoured by Glyn & Co., and it was stated that the advices were perfectly satisfactory.

LONDON AND DUBLIN BANK.—This Bank has been closed. At the meeting of proprietors it was resolved—"That for the purpose of winding up the affairs of the bank, all the powers by the deed of settlement vested in the directors of this bank be continued; and that except for the purpose of winding up and settling the affairs of the company, the company now stand and be dissolved." The Branches established by this Company have been taken up by the "National Bank of Ireland," to which, for the most part, the accounts have been transferred.

DISSOLUTION OF PARTNERSHIP OF MESSRS. G. & T. STAPLETON, of Richmond, Yorkshire, bankers. The *London Gazette* of the 3rd January, ulto., contains the following notice:—"Notice is hereby given, that the Partnership heretofore subsisting between us the undersigned, Gilbert Stapleton and Thomas Stapleton, carrying on business at Richmond, in the county of York, as bankers and copartners, under the firm of Gilbert Stapleton and Company, was this day dissolved by mutual consent: As witness our hands this 1st day of January, 1848.—Gilbert Stapleton, Thomas Stapleton."

SOCIETY OF GUARDIANS FOR THE PROTECTION OF TRADE.—We beg to direct the attention of such of our readers as may not be acquainted with the objects of this Society to a full description of them, which will be found in its prospectus in our advertisement sheet. We are gratified to learn that the society has been of much service to merchants and bankers in defeating the machinations of the bill-swindlers; and more particularly of the gang whose offers of "Temporary accommodation to traders and others" have been so frequently exposed in our columns. We are sure that our readers will render all the assistance they can to a society which is so well deserving of the patronage of the commercial public.

NEW LOCK FOR STRONG ROOMS.—Messrs. Chubb have patented a new and very ingenious lock for strong rooms, &c., which appears to be well

adapted for bankers' use. It is difficult to describe the machinery of it without an engraving, but Messrs. Chubb have published an illustrated prospectus, and the *Morning Chronicle* gives the following clear account of the lock:—

"Messrs. Chubb, the patentees of the detector lock, have recently added another improvement to their contrivances for the protection of valuable property, which deserves notice on account of its importance to bankers and merchants who require to have documents or specie kept under the charge of two persons separately. The improvement consists of a lock for strong rooms, &c., containing four detector locks, so arranged as to act with one key having four bits, and the *keyhole* to which is protected by a separate detector lock having a separate key. By this arrangement all possibility of having the lock opened by a false key seems completely removed, and the lock on the keyhole affords effectual security against any improper use of the master key. The whole contrivance is extremely simple, and not likely to get out of order."

RAILWAY DIVIDENDS.—The following are the amounts of dividends paid by the several Railway Companies in each of the months undermentioned, distinguishing the dividends paid on English lines from those on Foreign lines:—

1847.	British Lines.	Foreign Lines.	Total.
	£	£	£
Dividends paid in January	115,000	93,000	208,000
Ditto in February	1,373,000	83,000	1,456,000
Ditto in March	977,000	28,000	1,005,000
Ditto in April	259,000	116,000	375,000
Ditto in May	59,000	12,000	71,000
Ditto in June	10,000	5,000	15,000
Ditto in July	290,000	90,000	380,000
Ditto in August	1,395,000	64,000	1,459,000
Ditto in September	954,000	56,000	1,010,000
	5,432,000	547,000	5,979,000

This table presents many features of interest. It will enable us to form some idea of the capital embarked in railways, and it affords the data for judging of the comparative value of the investments. Some of the companies pay dividends of 10 per cent., more of 8 per cent; but if we average the dividends as low as five per cent. per annum for the whole, it shows that there are upwards of one hundred and twenty millions sterling represented by railway stock. This estimate is under rather than over that afforded by the data before us, and allowance is made for the amount of dividends paid as interest on shares in companies which are not yet earning an income. There are other points of interest connected with this table to which we may probably refer hereafter. The fact that one-sixth of the calls, which have been so severely felt during the past few months, have been supplied by the companies themselves from the actual earnings of the several lines, proves that if railway expenditure is brought within moderate limits, it can be provided for without interfering with the legitimate demands of the trade and commerce of the country for monetary accommodation.

THE UNION BANK, NEWCASTLE-ON-TYNE.—The capital of this bank is to be increased by a call on the Shareholders of from £500,000 to £600,000, when it is hoped that the Directors will be able to resume business.

THE NORTH & SOUTH WALES BANK.—We are glad to find that the regular business of this bank is about to be resumed immediately. The payment of the note holders has been proceeded with very satisfactorily, and there is little doubt but that, under the able superintendence of Mr. Rae, the manager, and the directors, who possess the full confidences of the shareholders, the bank will, in a short time, resume its former position, not weakened by the fact that it has been able to stand the test of so great a misfortune as that which has occurred.

MESSRS. H. J. AND D. NICOLL, the extensive clothiers, of Regent-street, have just published an illustration of the mischievous effects of the vague and unfounded reports "of firms being in difficulty," which have been so frequent lately. Messrs. Nicholl have been attacked in this way, but they offer a most satisfactory proof of the falsehood of the charge, by offering at once "to pay all demands upon them in cash."

THE LIVERPOOL BANKING COMPANY.—A meeting of the depositors in this bank was held on the 26th January at Liverpool, for the purpose of deciding on the steps to be adopted in order to enforce payment of their demands. The directors, it appears, have offered to pay in full, by instalments of 6s. 8d., on the 10th February, 1st August, and 1st December next; and to allow 5 per cent. interest on the deposits. The meeting agreed to accept those terms if no better could be obtained.

Review.

Our Money Laws the Cause of the National Distress. By Charles Enderby, F.R.S. London: Pelham Richardson.

MR. ENDERBY is well known as an able writer in opposition to the existing banking laws and the standard of value. In the present pamphlet he develops his views on these subjects at some length, and gives the following outline of what he suggests as the basis of our future monetary system:—

"1. The abolition of the gold standard, and the convertibility of the paper currency into the precious metals at their market price.

"2. The limitation of the issues to one, or, at most, three banks, (that is, one for each of the three kingdoms), and the regulation of those issues by a fixed rate of interest, say four per cent.

"I propose neither an unlimited issue of paper money, nor issues that are not based upon securities. It is not the *use*, but the *abuse*, of that species of currency which occasions insecurity; and we have the prosperity attained by this country during the war, through the medium of a paper currency (although occasionally mismanaged) to oppose to the objections which may be made to the re-adoption of that system. If, in other countries, as France, Russia, and the United States, paper money has, at different periods, produced a contrary effect, this has arisen from the circumstance that it was not subjected there to the control of which it is susceptible, the issues which took place not being based upon securities, and being in excess of all fair and reasonable demands."

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTES.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 11.	Dec. 18.	Dec. 25.	Jan. 1.
	£	£	£	£	£
1 Andover Bank	17,751	6,660	7,068	7,868	8,234
2 Ashford Bank	11,849	8,819	8,405	9,586	8,814
3 Aylsham Bank	5,854	4,471	4,205	4,643	4,388
4 Aylesbury Old Bank	48,461	30,180	28,720	29,566	31,070
5 Baldock and Biggleswade Bank	37,223	26,745	27,642	27,528	27,331
6 Barnstaple Bank	17,182	10,079	10,200	9,848	9,945
7 Basingstoke and Odiham Bank	24,730	15,760	15,141	14,616	14,667
8 Bedford Bank	34,218	28,561	28,057	29,364	29,954
9 Bedford and Bedfordshire Bank	8,515	6,124	5,766	5,830	6,338
10 Bewdley Bank	18,697	11,906	12,723	12,850	12,778
11 Bicester and Oxfordshire Bank	27,090	15,399	15,508	15,273	15,070
12 Birmingham Bank—Attwoods & Co.	23,695	21,322	20,321	21,295	20,811
13 Birmingham and Warwickshire Bank	18,132	12,270	11,999	12,048	12,512
14 Blandford Bank	9,723	6,210	6,257	6,451	6,844
15 Boston Bank—Garfit and Co.	75,069	70,155	68,367	62,010	61,510
16 Boston Bank—Gee and Co.	15,161	13,931	13,817	13,867	11,157
17 Bridgewater Bank	10,028	7,664	7,274	6,966	7,058
18 Bristol Bank	48,277	29,546	28,442	28,780	29,804
19 Broseley and Bridgenorth Bank	26,717	20,529	19,546	19,873	19,585
20 Birmingham Bank	29,657	17,978	18,068	16,737	15,909
21 Bury and Suffolk Bank	82,362	67,395	67,386	66,664	67,623
22 Banbury Bank	43,457	25,826	25,837	24,643	24,535
23 Banbury Old Bank	55,153	40,339	40,927	39,425	37,914
24 Bath City Bank	4,572	2,080	2,074	2,054	2,020
25 Bedfordshire Leighton Buzzard Bank	36,829	26,855	28,243	28,683	29,060
26 Birmingham Bank—Taylor & Lloyds	38,816	29,670	30,227	32,117	31,340
27 Bradford Old Bank	12,676	11,032	10,407	10,133	11,002
28 Brecon Old Bank	68,271	55,687	60,692	61,033	57,195
29 Brighton Union Bank	33,794	20,690	21,340	22,686	24,977
30 Burlington and Driffield Bank	12,745	10,682	10,111	10,091	10,341
31 Bury St. Edmund's Bank	3,201	2,779	2,522	2,272	2,294
32 Bromsgrove Bank	16,799	12,844	13,247	14,472	15,097
33 Cambridge Bank (Mortlock & Sons)	25,744	19,690	19,867	19,942	20,090
34 Cambridge and Cambridgeshire Bank	49,916	41,092	42,740	44,656	43,400
35 Canterbury Bank	33,671	24,992	24,778	26,820	25,875
36 Carmarthen Bank	23,597	18,551	18,312	17,642	17,206
37 Chertsey Bank	3,436	2,438	2,324	2,533	2,938
38 Colchester Bank	25,082	15,395	15,443	15,706	15,935
39 Colchester and Essex Bank	48,704	31,156	31,935	33,251	32,632
40 Cornish Bank	49,869	38,793	38,817	41,184	41,097
41 Coventry Bank	12,045	7,542	7,543	7,685	7,923
42 City Bank, Exeter	21,527	11,866	12,017	12,262	12,940
43 Craven Bank	77,154	67,443	66,266	65,225	64,858
44 Christchurch Bank	2,840	1,700	1,841	1,785	1,757
45 Cardiff Bank	7,001	5,380	5,441	5,063	4,904
46 Chepstow Old Bank	9,387	5,087	5,340	5,193	5,559

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 11.	Dec. 18.	Dec. 25.	Jan. 1.
	£	£	£	£	£
47 Derby Bank—Messrs. Evans	13,332	11,554	12,127	11,478	11,687
48 Derby Bank—Smith and Co.	41,304	33,968	33,524	33,175	31,862
49 Derby Old Bank	27,237	24,467	23,774	23,102	24,254
50 Devizes and Wiltshire Bank	20,674	8,680	9,087	9,263	9,516
51 Diss Bank	10,657	10,610	10,447	10,589	10,493
52 Doncaster Bank	13,881	9,972	9,817	9,829	9,069
53 Doncaster Bank and Retford Bank	63,519	52,267	50,186	48,809	48,850
54 Darlington Bank	86,218	61,249	60,309	59,847	59,767
55 Devonport Bank	10,664	7,610	7,270	7,590	7,905
56 Dorchester Old Bank	48,807	24,805	24,179	27,345	28,666
57 East Cornwall Bank	112,280	81,456	80,944	82,945	84,081
58 East Riding Bank	53,392	46,930	44,996	43,465	45,702
59 Essex Bank & Bishops Stortford Bk.	69,637	38,237	40,163	40,219	42,744
60 Exeter Bank	37,894	17,957	17,308	18,771	19,167
61 Fakenham Bank	24,293	18,360	18,053	18,449	19,097
62 Farringdon Bank & Bank of Wantage	8,977	3,074	2,794	3,336	3,708
63 Farnham Bank	14,202	10,278	9,944	9,687	10,157
64 Faversham Bank	6,681	4,717	4,630	4,866	4,918
65 Godalming Bank	6,322	4,840	4,792	4,953	5,252
66 Grantham Bank—Kewney and King	19,401	18,824	18,960	18,547	17,754
67 Guildford Bank	14,524	10,357	9,923	9,353	9,773
68 Grantham Bank—Hardy and Co. .	30,372	23,386	23,592	22,544	21,604
69 Hastings Old Bank	38,038	22,063	21,693	22,434	23,263
70 Hereford City and County Bank .	22,364	13,170	13,570	12,631	12,945
71 Hertford and Ware Bank	23,635	20,090	21,424	22,995	22,565
72 Hull and Kingston-upon-Hull Bank	19,979	17,832	17,854	17,478	18,238
73 Huntingdon Town and County Bank	56,591	39,090	38,496	39,750	39,882
74 Harwich Bank	5,778	4,555	4,315	4,390	4,468
75 Hemel Hempstead Bank	23,842	15,407	15,016	15,283	16,496
76 Hertfordshire, Hitchen Bank	38,764	27,973	27,679	28,723	29,275
77 Hereford, Ross, & Archenfield Bank	27,625	18,355	18,998	18,930	19,030
78 Ipswich Bank	21,901	18,602	19,340	20,299	20,665
79 Ipswich and Needham Market Bank	80,699	67,694	67,917	69,044	71,461
80 Kentish Bank	19,895	9,425	9,480	11,587	12,298
81 Kington and Radnorshire Bank .	26,050	23,233	22,671	21,395	20,500
82 Knighton Bank	9,090	6,692	6,563	6,315	5,949
83 Knaresborough Old Bank	21,825	18,020	17,250	17,334	17,886
84 Kendal Bank	44,663	35,884	35,823	36,441	39,504
85 Kettering Bank	9,192	5,865	6,291	6,060	5,992
86 Lane End Staffordshire Bank	5,624	5,480	5,400	5,200	5,160
87 Leeds Bank	53,357	47,455	46,728	45,432	45,165
88 Leeds Union Bank	37,459	27,614	26,760	26,752	27,951
89 Leicester Bank	32,322	26,220	26,999	25,489	23,753
90 Lewes Old Bank	44,836	28,133	28,710	27,942	28,418
91 Lichfield Bank	22,786	16,570	17,632	16,620	16,670
92 Lincoln Bank	100,342	87,698	85,818	81,657	82,804
93 Llandovery Bank and Llandilo Bank	32,945	13,769	13,630	14,516	15,802
94 Loughborough Bank	7,359	6,680	6,895	6,923	6,678
95 Lymington Bank	5,038	2,503	2,560	2,969	2,834
96 Lynn Regis and Lincolnshire Bank	42,817	34,809	35,019	35,000	35,565
97 Lynn Regis and Norfolk Bank	13,917	13,964	13,504	13,831	13,463

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 11.	Dec. 18.	Dec. 25.	Jan. 1.
	£	£	£	£	£
98 Macclesfield Bank	15,760	8,807	8,975	9,298	9,410
99 Manningtree Bank	7,692	5,840	5,308	5,285	5,583
100 Marlborough Bank	19,073	8,810	8,921	9,242	10,049
101 Marlboro' & North Wiltshire New Bk.	12,490	6,784	6,708	7,355	7,809
102 Merionethshire Bank	10,906	6,237	7,938	8,896	8,384
103 Miners Bank	18,688	14,700	14,622	15,830	15,836
104 Monmouthsh. Agricult. & Comm. Bk.	29,335	23,019	22,638	25,464	24,789
105 Monmouth Old Bank	16,385	11,569	10,427	9,843	9,420
106 Monmouthshire Newport Old Bank	8,600	7,785	7,874	7,424	7,569
107 Newark Bank	28,788	25,427	26,096	25,382	26,000
108 Newark and Sleaford Bank	51,615	47,807	47,792	46,705	45,006
109 Newbury Bank	36,787	17,910	17,692	17,868	18,989
110 Newmarket Bank	23,098	19,525	19,197	19,076	19,490
111 Norfolk and Suffolk Bank	4,551	2,380	2,310	2,137	2,215
112 Norwich Crown Bank	45,120	36,272	37,087	37,307	38,927
113 Norwich and Norfolk Bank	75,372	57,986	57,135	58,273	60,900
114 Nottingham & Nottinghamshire Bk.	10,866	9,264	9,156	9,161	8,137
115 Nuneaton Bank	5,898	4,445	4,364	4,167	4,380
116 Naval Bank, Plymouth	27,321	15,055	15,220	15,945	17,573
117 New Sarum Bank	15,659	5,857	6,149	6,386	7,066
118 Nottingham Bank	31,047	29,191	26,805	27,103	26,325
119 Oswestry Bank	18,471	10,281	9,639	9,480	9,706
120 Oxford Bank	14,277	9,826	9,750	9,625	10,146
121 Oxford Old Bank	34,391	29,560	30,010	31,104	31,030
122 Old Bank Tonbridge	13,183	7,039	6,370	6,170	7,065
123 Oxfordshire Witney Bank	11,852	5,937	5,681	6,263	7,057
124 Pease's Old Bank, Hull	48,807	43,934	43,538	43,338	44,791
125 Penzance Bank	11,405	10,253	10,013	10,098	10,367
126 Peterborough Bank—Yorke & Co. .	12,545	7,294	5,499	5,357	5,687
127 Peterborough Bank—Simpson & Co.	12,832	9,372	9,624	9,851	10,084
128 Pembrokeshire Bank	12,910	7,501	6,999	7,850	7,585
129 Reading Bank—Simmonds and Co.	37,519	18,394	18,005	18,885	20,271
130 Reading Bank—Stephens and Blandy	43,271	19,894	19,912	20,826	20,327
131 Richmond Bank, York	6,889	2,888	2,482	2,303	2,118
132 Ringwood and Poole Bank	11,856	5,697	6,084	6,043	6,203
133 Rochdale Bank	5,590	3,745	3,533	3,153	3,295
134 Rochester, Chatham, & Strood Bank	10,480	7,183	7,242	7,437	7,781
135 Royston Bank	16,393	11,118	11,258	12,385	12,520
136 Rugby Bank	17,250	12,905	12,391	12,201	12,816
137 Rye Bank	29,864	14,478	14,511	14,320	14,860
138 Reigate and Dorking Bank	13,700	8,008	7,683	7,747	8,145
139 Ross Old Bank, Herefordshire	7,420	4,000	3,856	3,735	3,992
140 Saffron Walden & North Essex Bank	47,646	33,241	34,686	35,471	35,256
141 Salop Bank	22,338	10,167	10,059	10,380	10,332
142 Scarborough Old Bank	24,813	23,816	22,574	22,218	23,284
143 Stewsbury Old Bank	43,191	23,725	23,400	23,191	24,307
144 Sittingbourn and Milton Bank	4,789	2,464	2,410	2,703	2,950
145 Southampton Town & County Bank	18,589	9,775	9,803	10,242	10,990
146 Southwell Bank	14,744	12,775	12,517	12,608	11,753
147 St. Albans Bank	3,743	1,150	987	931	933
148 Southampton and Hampshire Bank	6,770	2,538	2,660	2,742	2,678

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 11.	Dec. 18.	Dec. 25.	Jan. 1.
	£	£	£	£	£
149 Stone Bank	9,154	5,500	5,690	5,635	5,722
150 Stourbridge Bank	17,295	13,993	13,701	14,515	13,632
151 Stafford Old Bank	14,166	12,493	12,406	12,914	13,224
152 Stamford and Rutland Bank	31,858	26,685	27,607	28,017	28,032
153 Stourbridge Old Bank	17,560	18,158	16,860	16,635	16,477
154 Shrewsbury and Welsh Pool Bank..	25,336	15,236	15,842	15,643	15,305
155 St. Albans and Herts Bank	2,333				
156 Taunton Bank	29,799	18,529	17,879	18,392	18,094
157 Tavistock Bank	13,421	8,146	7,692	7,438	7,405
158 Thornbury Bank	10,026	8,187	7,905	8,003	8,118
159 Tiverton and Devonshire Bank	13,470	7,172	7,323	7,278	7,190
160 Thrapston and Kettering Bank	11,559	10,333	10,446	9,793	9,699
161 Tring Bank and Chesham Bank	13,531	9,476	9,204	9,140	9,185
162 Towcester Old Bank	10,801	8,423	8,143	7,981	8,065
163 Union Bank, Cornwall	17,003	8,419	8,200	8,202	8,932
164 Uxbridge Old Bank	25,136	16,850	16,424	16,682	16,902
165 Wallingford Bank	17,064	3,971	4,470	4,903	5,610
166 Warwick and Warwickshire Bank ..	30,504	22,708	23,830	23,969	22,499
167 Wellington Bank, Somerset	6,528	2,478	2,529	2,558	2,834
168 West Riding Bank	46,158	38,641	37,071	36,542	36,503
169 Whitby Old Bank	14,258	14,650	14,055	14,367	13,905
170 Winchester, Alresford, & Alton Bank	25,892	15,950	15,639	15,844	16,875
171 Winchester and Hampshire Bank ..	6,737	3,512	3,680	3,810	4,078
172 Weymouth Old Bank	16,461	6,815	7,053	7,385	7,384
173 Wirkesworth and Derbyshire Bank .	37,602	32,544	31,681	29,000	29,390
174 Wisbech and Lincolnshire Bank	59,713	56,292	54,625	55,042	53,465
175 Wiveliscombe Bank	7,602	4,746	4,592	4,869	5,097
176 Wolverhampton Bk. (Goodricke & Co.)	14,180	11,843	12,478	12,667	12,395
177 Worcester Bank	15,463	8,620	8,700	8,776	8,316
178 Worcester Old Bank	87,448	66,171	65,652	65,316	63,813
179 Worcestershire Bank	14,309	8,747	8,648	8,927	9,295
180 Walsall Old Bank	19,937	18,385	19,036	18,686	18,566
181 Warminster and Wiltshire Bank	24,896	10,985	10,419	10,798	12,085
182 Wrexham Bank	3,289	1,566	1,424	1,572	1,735
183 Wolverhampton Bk. (R. & W. F. Fryer)	11,867	9,610	10,325	10,311	11,072
184 Yarmouth and Suffolk Bank	53,060	51,756	52,012	51,485	51,969
185 Yarmouth, Norfolk, & Suffolk Bank.	13,229	11,054	11,949	12,622	12,147
186 Yeovil Old Bank	10,033	5,334	5,094	4,672	4,954
187 York Bank	46,387	37,292	37,212	38,153	39,287

JOINT STOCK BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Dec. 11.	Dec. 18.	Dec. 25.	Jan. 1.
	£	£	£	£	£
1 Bank of Westmorland.....	12,225	7,241	6,800	7,880	7,670
2 Barnsley Banking Company	9,563	6,535	6,315	5,845	6,030
3 Bradford Banking Company	49,292	36,923	35,958	35,774	36,966
4 Bilston District Banking Company..	9,418	9,294	9,487	9,152	8,984
5 Bank of Whitehaven	32,681	26,366	25,024	25,587	25,511
6 Bradford Commercial Banking Co..	20,084	12,313	12,076	11,835	11,971
7 Burton, Uttoxeter & Staffords. Un. Bk.	60,701	48,714	51,863	52,659	54,509
8 Chesterfield & Nth. Derbysh. Bkg. Co.	10,421	7,413	6,832	6,898	6,637
9 Cumberland Union Banking Co. . .	35,395	26,653	27,020	28,159	26,306
10 Cheltenham & Gloucestersh. Bkg. Co.	12,786	9,247	9,196	9,032	9,047
11 Coventry & Warwickshire Bkg. Co.	28,734	18,998	18,430	18,439	19,030
12 Coventry Union Banking Company	16,251	9,614	9,553	10,143	11,016
13 County of Gloucester Banking Co. .	144,352	84,040	83,229	84,725	85,776
14 Carlisle & Cumberland Banking Co.	25,610	22,246	21,185	21,333	21,096
15 Carlisle City and District Bank	19,972	14,522	14,149	14,188	14,559
16 Dudley & West Bromwich Bkg. Co.	37,696	32,844	33,317	35,025	35,396
17 Derby & Derbyshire Banking Co. .	20,093	16,021	16,045	17,083	16,682
18 Darlington Dist. Joint Stock Bkg. Co.	26,134	13,012	12,630	13,018	12,877
19 East of England Bank.....	25,025	24,570	24,859	25,014	25,138
20 Gloucestershire Banking Company .	155,920	116,571	115,446	113,580	114,666
21 Halifax Joint Stock Bank	18,534	11,441	11,210	11,453	11,685
22 Huddersfield Banking Company ..	37,354	26,685	30,085	29,486	29,013
23 Hull Banking Company	29,333	24,302	23,359	23,485	25,636
24 Halifax Commercial Banking Co. . .	13,733	7,825	7,344	7,525	7,510
25 Halifax & Huddersfield Union Bank	44,137	22,094	22,794	23,088	24,865
26 Helston Banking Company	1,503	1,005	1,020	1,425	1,640
27 Herefordshire Banking Company ..	25,047	14,036	14,514	13,735	13,316
28 Knaresborough and Claro Bkg. Co.	28,059	25,021	25,304	25,831	24,559
29 Kingsbridge Joint Stock Bank	3,952	2,631	2,920	2,990	3,157
30 Lancaster Banking Company	64,311	49,342	47,281	47,390	47,657
31 Leeds Banking Company	23,076	18,445	18,381	16,327	16,304
32 Leicestershire Banking Company ..	86,060	69,409	67,396	67,497	67,452
33 Lincoln and Lindsay Banking Co....	51,620	51,140	49,913	47,083	43,740
34 Leamington Priors & Warwicksh. Bk.	13,875	8,883	8,701	8,483	8,664
35 Ludlow and Tenbury Bank.....	10,215	8,657	8,125	7,844	7,970
36 Moore & Robinson's Nottinghamsh. Bk.	35,813	19,563	19,331	20,839	21,259
37 Nottingham & Nottinghamsh. Bkg. Co.	29,477	23,705	23,475	25,045	23,943
38 Newcastle, Shields and Sunderland Union Joint Stock Bank.....	84,130	37,739	35,038	32,717	30,419
39 National Provincial Bk. of England	442,371	296,311	295,569	296,872	296,156
40 North Wilts Banking Company	63,939	35,986	38,705	38,931	39,216
41 Northamptonshire Union Bank	84,356	68,045	69,027	68,063	65,946
42 Northamptonshire Banking Co.....	26,401	21,406	20,501	20,039	19,575
43 North and South Wales Bank	63,951	30,236	28,333	26,088	25,018
44 Pares's Leicestershire Banking Co..	59,300	44,480	43,938	42,563	42,235
45 Saddleworth Banking Company....	8,122	1,691	1,699	1,860	1,755
46 Sheffield Banking Company	35,843	33,526	32,588	35,363	34,219
47 Stamford, Spalding & Boston Bkg. Co.	55,721	47,977	44,343	42,449	42,082

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Dec. 11.	Dec. 18.	Dec. 25.	Jan. 1
	£	£	£	£	£
48 Stuckey's Banking Company	356,976	204,291	206,057	212,575	217,27
49 Shropshire Banking Company	47,951	39,655	40,118	40,914	41,06
50 Stourbridge and Kidderminster Bank	56,830	49,395	48,737	48,556	49,07
51 Sheffield and Hallamshire Bank....	23,524	18,795	18,973	20,389	20,18
52 Sheffield & Rotherham Jnt. Stock Bk.	52,496	49,503	49,198	51,707	50,24
53 Swaledale and Wensleydale Bank ..	54,372	47,504	47,536	47,158	45,55
54 Storey's and Thomas's Bank	9,714	9,426	8,975	9,201	10,73
55 Sheffield and Retford Bank.....	18,744	918	827	897	84
56 Wolverhampton & Staffordshire Bank	35,378	29,980	31,926	31,114	29,55
57 Wakefield and Barnsley Union Bank	14,604	10,704	9,979	9,830	10,00
58 Whitehaven Joint Stock Bank	31,916	24,243	23,119	24,565	24,55
59 Warwick and Leamington Bkg. Co.	37,124	28,616	28,093	28,274	27,24
60 West of England and South Wales District Bank	83,535	53,378	54,132	57,470	55,58
61 Wilts and Dorset Banking Company	76,162	40,413	40,264	41,230	43,58
62 West Riding Union Banking Co. ...	34,029	21,424	22,287	22,008	24,04
63 Whitechurch and Ellesmere Bkg. Co.	7,475	1,540	1,701	1,502	2,01
64 Worcester City and County Bkg. Co.	6,848	4,078	3,974	4,011	3,65
65 York Union Banking Company	71,240	61,909	59,009	61,060	62,22
66 York City and County Banking Co.	94,695	77,971	77,544	80,225	82,98
67 Yorkshire Banking Company	122,532	90,650	93,654	95,002	92,60

Summary of the above Returns.

	Fixed Issues.	Dec. 11.	Dec. 18.	Dec. 25.	Jan. 1
	£	£	£	£	£
187 PRIVATE BANKS	4,880,389	3,524,654	3,507,143	3,525,157	3,556,1
65 JOINT STOCK BANKS	3,261,906	2,408,811	2,396,411	2,417,528	2,418,1
252 * TOTALS ..	8,142,295	5,933,465	5,903,554	5,942,685	5,974,2

Average Weekly Circulation of these Banks for the Month ending January 1st :—

Private Banks	£3,528,273
Joint Stock Banks	2,410,222

Average Weekly Circulation of Private and Joint Stock Banks ending as above £5,938,495

On a comparison of the above with the Returns for the Month ending 4th Dec. last, it shows—

A decrease in the Notes of Private Banks, of	£169,777
A decrease in the Notes of Joint Stock Banks, of	166,548

Total decrease on the Month £336,325

And, as compared with the Month ending the 2nd January, 1847, it shows—

A decrease in the Notes of Private Banks, of	£997,733
A decrease in the Notes of Joint Stock Banks, of	728,276

Total decrease, as compared with the same period of last year .. £1,726,069

* Note—The above is the amount of the fixed issues after deducting the fixed issues of the banks that have suspended payments. Two of these banks, however, it will be seen, are included in the preceding returns.

The fixed issues of the several Banks of Issue in England and Wales, excepting the Bank of England, are now, according to the *Banking Almanac* for 1848, as follows:—

187 Private Banks, allowed to issue	£4,880,389
65 Joint Stock Banks, allowed to issue	3,261,906

252	Total fixed issue	£8,142,295
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The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue	£1,352,116
The Joint Stock Banks are below their fixed issue	999,765

Total BELOW the fixed issue.....	£2,351,381
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Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 1st day of January, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold and Silver Coin held during Four Weeks, ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Scotland.....	300,485	101,050	245,774	346,824	157,392
Royal Bank of Scotland	183,000	56,536	127,382	183,917	79,346
British Linen Company	438,024	121,968	304,185	426,153	119,311
Comm. Bk. of Scotland	374,880	149,385	318,970	468,355	199,851
National Bk. of Scotland	297,024	86,973	214,992	301,966	69,461
Union Bank of Scotland	327,223	89,859	218,262	308,121	90,702
Edinburgh & Glasgow Bk.	136,657	46,484	83,494	129,978	39,153
Bk. Com. in Aberdeen	88,467	30,456	79,382	109,838	33,766
Aberdeen Town & Co. Bk.	70,133	27,929	65,161	93,090	27,700
North of Scotland Bk. Co.	154,319	44,446	99,854	144,300	20,829
Dundee Banking Com..	33,451	6,656	22,819	29,475	5,176
Eastern Bk. of Scotland	33,636	7,413	24,593	32,006	7,482
Western Bk. of Scotland	337,938	100,638	298,318	398,955	129,709
Caledonian Banking Co.	104,028	25,786	77,630	103,416	29,376
City of Glasgow Bank..	72,921	44,052	62,379	106,432	48,311
Caledonian Banking Co.	53,434	16,998	43,548	60,546	17,647
Perth Banking Company	38,656	16,452	33,229	49,682	19,963
Central Bk. of Scotland	42,933	14,826	33,437	48,263	12,872
TOTALS (Scotch Banks)	3,087,209	987,907	2,353,409	3,341,317	1,108,047

IRISH BANKS.

Bank of Ireland	3,738,428	1,863,750	1,224,950	3,088,700	728,267
Provincial Bank	927,667	319,856	485,637	805,492	430,523
Irish Bank	281,611	36,236	216,112	252,348	110,000
Northern Bank	243,440	24,976	154,441	179,417	50,391
Water Bank	311,079	21,188	196,629	217,818	54,263
National Bank	761,757	210,258	372,879	583,138	223,676
Carrick-on-Suir Nat. Bk.	24,084	6,292	10,152	16,445	5,231
Shannon National Bank	66,428	20,200	32,557	52,758	16,409
TOTALS (Irish Banks) ..	6,354,494	2,502,756	2,693,357	5,196,116	1,618,760

SUMMARY OF IRISH AND SCOTCH RETURNS TO JANUARY 1st.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 1st January, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks .. £5,196,116
Average Circulation of the Scotch Banks.... 3,341,317

Total Average Circulation of these Banks
for the month ending 1st Jan. inst. £8,537,433

On comparing these amounts with the Returns for the month ending 4th December last, they show—

Decrease in the Circulation of Irish Banks.. £126,638
Decrease in the Circulation of Scotch Banks.. 391,168

Total decrease last month £517,798

And as compared with the month ending 2nd January, 1847, they show—

Decrease in the Circulation of Irish Banks £3,319,398
Decrease in the Circulation of Scotch Banks 445,834

Total decrease on the year £3,765,132

The fixed issues of the Irish and Scotch

Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue £6,354,49
18 Banks in Scotland, allowed to issue .. 3,067,269
—
26 Banks in all, allowed to issue £9,441,767

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue.... £1,156,578
Scotch Banks are above their fixed issue 254,108

Total below the fixed issue..... £904,270

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks .. £1,618,764
Gold and Silver held by the Scotch Banks .. 1,106,447

Total of Gold and Silver Coin £2,725,211

Being a decrease of £27,990 on the part of the Irish Banks, and an increase of £25,394 on the part of the Scotch Banks, above the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO JANUARY 1st.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 1st January, 1848.

Circulation of Notes for the Month ending January 1st, as compared with the previous month :

	Dec. 4, 1847.	Jan. 1, 1848.	Increase.	Decrease.
Bank of England.....	19,375,364	£17,956,761	—	1,318,563
Private Banks	3,698,050	3,528,373	—	169,777
Joint Stock Banks	2,576,770	2,410,228	—	166,542
Total in England.....	25,550,084	23,895,236	—	1,654,838
Scotland.....	3,732,485	3,341,317	—	391,168
Ireland	5,332,741	5,196,116	—	136,625
United Kingdom.....	£34,605,310	£32,432,689	—	2,172,621

The comparison of the month ending January 2nd, 1847, with the month ending January 1st 1848, shows a *decrease* in the Bank of England circulation of £1,791,990, a *decrease* in Private Banks of £997,733, and a *decrease* in Joint Stock Banks of £728,276; being a total *decrease* in England of £3,517,999; while in Scotland there is a *decrease* of £445,834; and in Ireland a *decrease* of £2,319,298. Thus showing that the month ending January 1st, as compared with the same period last year, presents a *decrease* of £3,517,999 in *England*, and a *decrease* of £6,283,131 in the *United Kingdom*.

The return of Bullion in the Bank of England for the month ending January 1st, gives an aggregate amount in both departments of £12,014,582. On a comparison of this with the Return for the month ending December 4, there appears to be an *increase* of £1,804,327; and as compared with the month ending January 2nd, 1847, being the corresponding period last year, there is a *decrease* of £3,069,018.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 1st January, was £2,726,807, being an *increase* of £2,606, as compared with the preceding month and a *decrease* of £1,265,592, as compared with the corresponding period last year.

THE ENGLISH FUNDS.—Daily Prices from December 28th, 1847, to January 28th, 1848, inclusive.

	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	
Bank Stock (div. 9 per Ct.)	186½	186	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	187½	
3 per Ct. Ind. Anns.	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	
3 per cent. Consols Anns.	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
3 per cent. Anns.	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½
New 5 per cent. Anns.	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½	86½
Long Anns. Jan. 3, 1850	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	
Ditto 30 years, Oct. 10, 1850	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
Ditto 30 years, Jan. 3, 1850	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
India Stock (div. 10½ per cent.)	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½	12½
Ditto under £1000 (div. 4½ p. c.)	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½	24½
South Sea Stock (div. 3½ p. c.)	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
Do. Old Anns. (div. 3 p. c.)	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
Do. new Anns. (div. 3 p. c.)	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
3 per cent. Anns. 1751 do.	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
Bank Stock for acct. Jan. 18	85	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½	85½
3 p. Cent. Cons. for opg. do. 18	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
India Stock for opg. do. 13	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
3 per cent. Consols Scrip	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	
Ex. Bills £1000, 3d.	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	
Ditto. £500 do.	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132
Ditto. Small do.	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132	132
Ditto. Advertised	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	abst	

JOINT STOCK BANKS.

	240 ab.	£40	Opd.	£15	0
Australasia	50	50	0	45	0
British North American	100	20	0	—	—
Commercial of London	100	20	0	24	10
London and Westminster	100	7	0	—	—
Ditto, New	50	10	0	15	10
London Joint Stock	100	25	0	43	0
Provincial of Ireland	100	10	0	16	0
Ditto, New	50	23	10	—	—
National of Ireland	100	35	0	36	0
National Provincial of England	100	10	0	16	6
Ditto, New	20	25	0	23	10
Union of Australia	25	25	0	10	15
Union of London	50	10	0	10	15

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 5 per Cent.	—	—	—	—	—
Belgian Bonds, 4½ per Cent.	—	—	—	—	—
Brazilian Bonds, 5 per Cent.	—	—	—	—	—
Buenos Ayres Bonds, 6 per Cent.	—	—	—	—	—
Cuba Bonds, 6 per Cent.	—	—	—	—	—
Chilian Bonds, 6 per Cent.	—	—	—	—	—
Colombian Bonds, 6 per Cent.	—	—	—	—	—
Danish 3 per Cent.	—	—	—	—	—
Greek Bonds 1834—35, 5 per Cent.	—	—	—	—	—
Granada	—	—	—	—	—
Mexican 5 per Cent., 1846.	—	—	—	—	—
Peruvian Bonds, 6 per Cent.	—	—	—	—	—
Prussian Bonds, 4 per Cent.	—	—	—	—	—
Portuguese Bonds, 4 per Cent.	—	—	—	—	—
Russian Bonds, 1822, 5 per Cent. in £ Ster.	—	—	—	—	—
Spanish Bonds 5 per C. div. from Nov. 1840	—	—	—	—	—
Ditto, Fesate Bonds	—	—	—	—	—
Ditto, Deferred	—	—	—	—	—
Ditto, 3 per Cent. Spanish Bonds	—	—	—	—	—
24 per Cent. Venezuela Bonds	—	—	—	—	—
(Dividends on the above payable in London.)	—	—	—	—	—
Dutch 24 per Cent.	—	—	—	—	—
Ditto 4 per Cent. Loan	—	—	—	—	—
French 5 per Cent., at Paris	—	—	—	—	—
Ditto 3 per Cent., ditto	—	—	—	—	—

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. Jan. 1st.	1848. Jan. 8th.	1848. Jan. 15th.	1848. Jan. 22nd.
Notes issued.....	£ 25,790,620	£ 25,876,770	£ 26,247,000	£ 26,559,265
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,984,900	2,984,900	2,984,900	2,984,900
Gold coin and bullion.....	10,443,761	10,476,623	10,923,312	11,122,376
Silver bullion.....	1,347,059	1,400,147	1,423,688	1,436,889
	25,790,620	25,876,770	26,247,000	26,559,265

BANKING DEPARTMENT.

	1848. Jan. 1st.	1848. Jan. 8th.	1848. Jan. 15th.	1848. Jan. 22nd.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,639,963	3,684,629	3,720,447	3,726,364
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	9,011,566	8,414,008	4,334,680	4,082,448
Other deposits.....	8,523,106	10,858,226	10,676,182	10,774,879
Seven day and other bills.....	905,364	846,364	902,976	903,278
	36,533,963	35,356,287	34,187,291	34,039,960
Government securities (including Dead Weight Annuity).....	11,064,422	10,993,353	11,203,353	11,464,666
Other securities.....	16,989,321	16,345,958	15,254,936	14,510,263
Notes.....	7,865,830	7,315,385	7,152,400	7,447,393
Gold and silver coin.....	613,430	701,591	576,602	617,547
	36,533,963	35,356,287	34,187,291	34,039,960

The Exchanges.

	Dec. 31st.	Jan. 7th.	Jan. 14th.	Jan. 21st.	Jan. 28th.
Amsterdam, 3 months.....	12 6½	12 6½	13 0	12 5½	12 4½
Ditto at sight.....	12 2½	12 3½	12 2½	12 2½	12 1½
Rotterdam, short.....	12 6½	12 6½	12 6	12 6	12 4½
Antwerp, 3 months.....	26 10	26 10	26 10	26 10	26 5
Hamburg, ditto.....	13 14	13 5½	13 15½	13 14½	13 15
Paris, short.....	25 65	25 70	25 65	25 65	25 55
Paris, 3 months.....	26 0	26 0	26 0	26 95	25 85
Marseilles, ditto.....	26 10	26 10	26 10	26 5	26 0
Bordeaux, ditto.....	26 15	26 10	26 10	26 5	26 5
Frankfort, ditto.....	124	123½	123½	123½	123
Vienna, ditto.....	10 20	10 20	10 20	10 19½	10 19
Trieste, ditto.....	10 21	10 21	10 21	10 20	10 18½
Madrid, ditto.....	46½	46½	46½	46½	46½
Cadix, ditto.....	48½	48½	48½	48½	48½
Leghorn, ditto.....	30 40	31 40	31 40	31 30	31 10
Genoa, ditto.....	26 15	26 15	26 15	26 10	26 5
Naples, ditto.....	39½	39½	39½	39½	39½
Palermo, ditto.....	119	119	119½	118½	118½
Messina, ditto.....	119½	119	119	118½	118½
Lisbon, 60 days' date.....	52	52	52	52	52
Oporto, ditto.....	—	52½	52½	52	52
Rio Janeiro, ditto.....	—	—	—	—	—

THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

MARCH, 1848.

MONETARY PROSPECTS.—THE FRENCH REVOLUTION.

ANOTHER panic—more startling, because more unexpected than any that has occurred for many years past—has seized upon the money market; and at the time we write, it is exhibiting its effects with such violence, that we are led to hope its intensity may be the cause of its speedy cessation. The origin of this panic need hardly be described, because all of our readers will no doubt have been informed, before these pages reach them, of the overthrow of the French monarchy, and the establishment of a *republic* in its stead! For a description of the events which, in the course of a *few hours*, have led to this startling result, we may refer to the daily journals; and we leave also to the commercial writers in the newspapers the duty of commenting on the facts. A few words, however, on the great monetary topic of the day will perhaps be useful here; if merely as a record of the feeling of panic under which all monetary transactions have been conducted since the intelligence of the dethronement of the King of the French reached London.

The chief cause of this has no doubt been the wholly unexpected character of the revolution. In Paris the feeling was general amongst commercial men, that the proposed “Reform banquet,” which has occasioned the catastrophe, would pass over without difficulty; and the best informed of the French financiers—always a timid and easily alarmed class of men—made their dealings on the Bourse with the utmost confidence that nothing serious would follow—even to the very day when the Tuilleries was sacked by the mob, and the King driven from the capital. On Tuesday, the 22nd February, the day of the proposed Reform banquet, the French Three per cents. opened at 73f. 90c., and closed at an advance to 84f. On the next day, the 23rd of Feb-

ruary, even after the ministry of M. Guizot had resigned, so little danger was apprehended from the position of affairs that the closing price of the same stock was 73*f.* 90*c.* There was therefore no apprehension of any danger to the constituted government; and yet within twenty-four hours the French battalions assembled in Paris to preserve order had given up their arms to the populace, and the unarmed mob, which had perambulated Paris for the two previous days, singing snatches of songs and joking with the troops, were permitted to attack the palace of the King, and burn the throne in the middle of the streets! The treachery of the French troops, and the disaffection of the National Guard, by which this unexpected triumph was obtained, were obviously left out of the calculation of the dealers on the Bourse, and hence perhaps the panic which has followed there and here.

The news of the abdication of the French king was published in London, between four and five o'clock in the afternoon, on Friday, the 25th February. The Stock Exchange had closed for the day, as usual, at three o'clock, when consols left off at 87 to $\frac{1}{2}$ for money, and 87 $\frac{3}{4}$ to $\frac{1}{8}$, for the next account in April. But immediately the news became known, private bargains were transacted at a fall of nearly *three per cent.*; sales having been effected at 85; and on the following day, Saturday, the 26th of Feb., the Stock Exchange presented a scene of excitement which has not been witnessed for many years. Consols opened with a sale at 84 $\frac{1}{2}$, from which quotation they very soon fell to 83, and afterwards they were offered at 82 $\frac{3}{4}$, and declined! making a fall of *seven per cent.* in the course of two days, which is an occurrence quite unprecedented in the modern history of the money market. At the time we write, prices remain as unsettled as the above quotations indicate, and the prevailing feeling of alarm will no doubt cause them to go lower, when the orders from distant parts of the country for sales are thrown upon the market, as they doubtless will be.

In the year 1830, when the last French Revolution occurred, which placed Louis Phillipe on the throne, Consols fell from 91, about one and a-half per cent. only, and in the course of a few days afterwards rose to 93. It is evident, therefore, that the revolution then was regarded in a very different light to that which has occurred now; and those who are hesitating whether they shall sacrifice their property at present prices, may do well to ask themselves whether the circumstances of the two periods are so very different, as to justify the alarm and panic which has just exhibited itself.

The life of Louis Phillipe has so long been regarded by many parties here as the only guarantee for the peace of Europe, that his sudden deposition, and the success of that class of politicians who

were hitherto considered most opposed to his pacific policy, may no doubt afford serious grounds of apprehension. But we are by no means sure that the same mistake, which induced the belief that the reform movement in Paris could be "put down" without difficulty, may not exist with regard to the warlike intentions of the French nation. Even should it be otherwise, there is not sufficient in the present position of affairs to justify the wild panic that has exhibited itself; and we trust that those who are not immediately within the influence of the Stock Exchange, will pause before they dispose of securities at prices which, in the course of a few days time, they may have reason to regret.

It would be quite out of place here to enter on a political discussion as to the causes which may happen to disturb our present prospects or position. At the time we write, everything is uncertain. It is unknown even, whether Louis Phillipe may not succeed at least in preserving the succession for his grandson, and a monarchical form of government, if not in re-establishing himself in power. Should this be the case, no further difficulties may arise than those which happened in 1830. While everything is vague, however, it is quite impossible to say what turn affairs may take; and the only useful advice which can be offered to those who, from their position, are too apt to be alarmed whenever the ordinary current of events is disturbed by any unexpected occurrence, is to *use caution*, but not to suffer themselves to be affected by a panic!

Monday, 28th July, 1848.

Stock Exchange London. Two o'clock.—The following are the quotations at this hour:—

Consols for the account ..	81
Consols for money	81

AN INQUIRY INTO THE CAUSE OF THE LATE PANIC.

BY "OMICRON."

NOTHING tends so much to disturb the regular current of commercial transactions, either inland or foreign, as frequent hot and cold blasts in Lombard Street. And now that the panic of 1847 may be said to have passed away, we may calmly and carefully inquire into its cause, and endeavour to trace the source whence all its attendant evils drew forth their existence. With this view we shall separate, or rather divide, our subject into the following sections:—1. Whether the panic arose from or was accelerated by an insufficient circulation of bankers' cash notes. 2. Whether the

abstraction of capital was a more direct cause. 3. Whether there is not too much reliance placed upon the Bank of England for a removal of money pressures: and 4. Whether the Bank Charter does not act as a great incitive to speculation, and induce rather than prevent a disordered state of the money market.

1st, then: With regard to an insufficient circulation. Upon a reference to published returns we find, that on the 18th October, 1845, the circulation of the Bank, including Bank post bills in the hands of the public was £23,377,288				Difference.
On the 18th Sept. 1847, the lowest point marked was 18,655,017				
				<hr/> £4,722,271
On the 18th Oct, 1845, the country circulation stood 8,252,501				
On the 11th Sept., 1847 7,176,460				
				<hr/> 1,076,041

By the above difference we perceive that the circulation of the Bank of England was reduced 1-5th, while the circulation of the country banks of issue was reduced only 1-8th, therefore we may assume, that the pressure was greater upon the Bank than upon country bankers. But this difference of nearly five millions of Bank of England notes is not the *real* difference in comparing the issues of the Bank of England with the country issues, for we must recollect that the £18,655,017 quoted above, was not in the hands of the public for commercial purposes alone. That, however, marking the difference of the country issues, *was* the actual amount drawn out and kept out by commerce and agriculture. Hence an allowance must be made in arguing upon the existing difference of these two bodies during the panic: we do not intend here to follow out this argument, but merely trace the cause of an increased severity of the late pressure. The amount stated above as out in the hands of the public in Bank of England notes and Bank post bills, must be divided between the bankers and the public. In periods of pressure and monetary severity, the bankers of the metropolis and the country always absorb a handsome proportion of the Bank of England notes out in circulation, which they hold in their coffers to meet a run, or any demand made upon them. The London bankers would not abstract so much in the aggregate as the country bankers, because the former, resident in the metropolis, could by holding available securities, at all times, and at any moment, command the amount required by them. The country bankers did, in 1847, lock up, during the panic, a large amount of Bank notes in their vaults, from fear. It is difficult to estimate

such an amount accurately, but we may hazard an amount which perhaps will guide us in our inquiry.

Let us assume that in England alone there were 1,000 banking offices open in 1847, which we think will not be an over estimate; these we may average at £100,000 each liabilities :*

This would give .. .. .	..	£100,000,000
To which add country issues in 18th Sept. ..	..	7,176,460

£107,176,460

Against these liabilities, existing at a time when fear and alarm possessed every banker in England, we must place the amount of bullion in their hands, which we will put down at £15,000,000; hence we have upwards of £90,000,000 liable to instant demand. The sum is enormous; we will, however, suppose that £6,000,000 of Bank of England notes, would be probably sufficient to cover the amount expected to be drawn therefrom, and which absolutely was withheld from the money market by the London and country bankers. Upwards of £90,000,000, liable at any time to be drawn for, and demandable in gold or bank notes. Well may every banker desire to allay any panic, knowing the utter impossibility of sustaining any lengthened drain upon deposits and circulation.

Returning to the immediate subject under consideration, we find that there is a deficiency of £4,722,271 Bank of England notes as compared with 1845, and an abstraction of £6,000,000 ditto, from general commercial purposes; making together an aggregate of £10,722,271, which should be deducted from the amount in circulation during the full currency of 1845. In this calculation we have thrown out of the question altogether the decrease of the country issues, because they had the power of further issue vested in them; although, possibly, many from fear preferred issuing Bank of England notes during the highest state of the excitement. Can any one doubt that nearly eleven millions decrease from a full currency would cause very great distress, privation, and pressure? And will any one be bold enough to state, that knowing the legal tender clause of the Bank of England note, the directors of that establishment ought not to consider its effects, and have a *power* reserved to them for an increased issue during a monetary crisis? Annihilate the legal tender clause, and then see if the amount of Bank of England notes kept in reserve would remain as large among bankers as now. But this touches the very basis of the Bank Charter Act,

* £150,000,000 would give about £100,000 as the liabilities of each of the 1,500 banking offices of the United Kingdom. "Elements of the Currency." *Vide Banker's Magazine*, p. 80, vol. 5.

which act is entirely unsuited to the wants of England, and we hope to show by-and-by, that competing issuers would operate more powerfully than the present system, and that by prudent banking management, a large export of gold to rectify the exchanges when adverse is totally unnecessary.

In the above quotation, we have taken the 18th October, 1845, because the highest point of the Bank circulation was attained at that period: and we have taken the 11th September, 1847, because the lowest point touched the amount mentioned during the panic of 1847. Let us now take a peep at the state of the "Securities" of the Bank, at the periods before noticed:

On the 11th Sept. 1847, they stood	..	£28,886,724
On the 18th Oct. 1845, they stood	..	26,699,667

Difference	£2,187,057
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In 1845 prices were notoriously high, and the above must have represented a less number of transactions than the like sum in 1847, when prices were low. Hence we have £28,886,667 securities in 1847, governed by a note circulation of £18,655,017 and £26,699,667 in 1845, measured by £23,377,288. Therefore the Bank must have accommodated more persons or transactions in 1847 than she did in 1845, and that based upon a smaller issue of cash notes. If then a demand in 1845, when prices were low, amounting to £26,699,667, required upwards of twenty-three millions of cash notes in circulation, the £28,886,724 in 1847 should have insisted upon more than £18,655,017. But they did not, and why? Because the principle part of these transactions probably were performed by transfers in bankers' books, in the shape of cheques from one account to another, or from one bank to another, and the bankers themselves, induced by fear, were compelled to hold such amounts *at call*, instead of advancing them upon general floating securities, presented to them by commercial houses.

When we consider that London is the centre of our monetary and commercial transactions; when we consider that the metropolis is the point round which revolves all that increases our greatness or aggravates our distress; when we consider that whatever current agitates the face of that great city, is felt even to the furthestmost extent of the island; it is lamentable, indeed, to perceive a system of currency tolerated, which must bring with it periodical revulsions to every one engaged in trade and commerce.

We shall consider whether the abstraction of capital was a more direct cause of the Panic than an insufficient circulation in another article.

CHINESE BANKING.

IN the last volume of the *Banker's Magazine* (vol. 7, p. 264) we gave an account of some of the peculiar features of Chinese currency and banking. From a paper by R. Alcock, Esq., read before the Asiatic Society a short time since, on the paper currency and banking system of *Fuh-chow-foo* in China, we take the following particulars, which will further elucidate the manner in which monetary affairs are conducted in the Chinese empire.

It is well known that paper money has been for centuries used in China, and treatises on the ancient practice have appeared by European Chinese scholars; but we have here, we believe, for the first time, a detail of the practical working of a part of the system, by a gentleman who has been placed in a position to see its action and results. It appears that the government system of paper money, from various causes, more especially the bad faith of the rulers, and want of confidence in the people, gradually grew out of use more than two centuries ago, and that no attempts have been made to revive it; but that the Chinese people, seeing the real value of the expedient, have kept it up among themselves as a regular trade, depending only upon the personal credit of the parties exercising it, without any support or guarantee by the authorities. A want of uniformity in the system necessarily follows from this; and the paper of one part of the country will be of no value in a distant quarter. The description of the trade of *Fuh-chow-foo*, therefore, will possibly be found to suit that place only. It is understood that until within a recent period, the paper money of *Fuh-chow* was merely a plan by parties known to each other, of giving notes of hand when cash was scarce, and these notes were taken only by such parties; that it was not until some considerable interval had elapsed that the issue of such notes became a separate occupation; and that, until about fifty years ago, the trade was but small. At that period it began to grow into favour; by 1815, notes of all amounts were in circulation, and paper is now nearly the sole circulating medium of the entire province, the native coin being almost wholly superseded. The perfectly unrestricted way in which any one may issue notes has at times led to an over-issue, and consequent depreciation: but the great competition resulting has had, on the whole, a good effect, and by giving the public a choice out of a large number, it has confined all transactions of any considerable amount to the parties in whom confidence could be safely reposed. From the nature of the security, these banks cannot assist the merchant in the remission of money to distant places, nor do they take money on deposit, for making payments by cheque. They will take deposits, paying interest at nine and a half per

cent., but only as a personal favor; and they require the whole of the deposit to be retained or withdrawn in one amount. But this appears not to be the case in the more northern provinces. The banking establishments of the city and suburbs are reckoned by hundreds; but the number of those of any stability is about thirty, with capitals varying from half a million to upwards of a million dollars each. This wealthy class forms a distinct body, which, by co-operation, regulates the market. Their notes are very rarely below par; they pass current with all parties, and are readily cashed by any of the body. These bankers keep some twenty men in their general employ, whose business it is to attend the markets, and report to their employers everything that is passing; and the bankers, upon their reports, determine the relative prices of notes, bullion, and dollars. A considerable part of the business of the bankers is the refining of silver for payment of taxes to the government, which must always be done in ingots of a certain size and purity; and a pretty large per centage is allowed to them for this trouble. They also realize a good profit by making similar payments to the custom-house for merchants, when required to be made in the same way. Another source of profit is derived from the pawnbrokers' shops, which are very numerous in China. These establishments receive a high interest for their loans, and they generally refuse anything in repayment but copper cash and bank notes; and each shop has its own banker, whose notes alone it will receive. Such a connexion is obviously profitable; and no banker can carry on a large trade without one. Some bankers have pawnbrokers' shops of their own; and one is known to have opened five in different parts of the city. Bankruptcies are very rare, and are almost confined to the smaller banks; they are usually settled by private arrangement, without reference to the authorities; and the defaulters have, in most instances, paid ten or twelve shillings in the pound. Forgery is seldom practised, and only for small notes. The highest punishment is transportation to the distance of 1,000 miles; but it is more usually imprisonment or corporal castigation. In one instance, a notorious forger, who had been several times prosecuted, was taken into the pay of the body, and was found a very effective instrument in detecting the impositions of others. The bank notes are longer but much narrower than ours. They are surrounded by an elaborate border, studded with sentences recommendatory of the firm, which gives them a pretty appearance. They are usually printed from copper-plates; but some of the smaller banks find it more economical to use the ordinary wooden blocks. They represent copper cash, dollars, or sycee, and vary in value from about 1s. 3d. each, to above £100 sterling.

STATE OF THE EXCHANGES WITH INDIA.

SOME well written papers have recently appeared in the *Daily News* on the subject of the extreme fluctuations which occur from time to time in the rate of Exchange with India, and on the causes to which this is to be attributed. As the subject is more than usually important at the present time, and the writer is able and well informed, we readily avail ourselves of some of his facts in corroboration of the opinion he supports.

It is, we dare say, familiar to many persons that while the *whole* of the revenues of the East India Company are raised and collected *in India*, a *part* of these revenues is actually expended *in England*. Hence arises a question of the mode of transmission. Now, the portion of revenue which the obligations of the Company compel them to pay in Europe, approaches with tolerable uniformity to about one-sixth of their gross income—that is to say, that while they collect eighteen millions in India, they have to expend three millions at home.

We need not say that between two countries carrying on a commerce of exports and imports to the amount of nearly twenty millions per annum, the primitive method of remitting gold and silver is quite out of the question. The operation is reduced to a purely mercantile process, and must be conducted upon the established basis of what are called Exchange transactions. In other words, the East India Company must replenish their English treasury either by coming into the London market as sellers of drafts on their Indian presidencies, or by appearing in the Calcutta and Bombay markets as the buyers of commercial bills drawn upon this country. Now, if the magnitude of their operations was no greater than those of an ordinary firm, it would matter little whether the Company adopted one or both of these lines of procedure; it would be no more a subject of public interest than are the operations of Forbes & Co., or Palmer & Co., under similar circumstances. But the extent of the Company's requirements does very greatly exceed those of any private establishment, and it is this precise circumstance of overpowering magnitude which renders the competition in the market of this great public body a matter of so much moment to all the other merchants who have to sustain, while they are totally unable to counteract it.

Without referring to the mode of remittance, previous to 1833, when the East India Company were a trading as well as a political corporation, it will be sufficient to say that since that time the Court of Directors have adopted two methods of effecting the transfer of their European revenue. In the first place, they have continued the old practice of buying bills in India;

and in the next place, they have supplied themselves to a very great extent by selling their own drafts on Bengal, &c., in London. For several years past they appear to have derived from about a third to a fourth (£600,000 to £800,000), of the total remittance from the former source, and the remainder £2,000,000 to £2,400,000), from the latter.

Now, the practice of buying bills in India is attended with several most inconvenient consequences. The class of bills purchased by the Government agent are what are called "document bills," that is, bills drawn by the exporter of produce upon the consignee in this country, and sold in the bazaar with the shipping papers conveying a title to the goods, attached to the bill as collateral security for its punctual payment. In point of fact, therefore, to purchase a document bill is neither more nor less than to make an advance upon exportable merchandise; and it does not require any profound acquaintance with trade to perceive, that if an office be opened where a million sterling is advertised to be advanced in the course of a few months, and at a tolerably fair rate of exchange, upon the security of rice, and sugar, and indigo, &c., there is a very strong inducement held out to all those who are pressed for money, or who are inclined to speculate, or to whom, from any cause, ready cash is acceptable, to become shippers, *less* from the appearance of the home market than because of the facilities of the Government warehouse. This, then, is the first evil. The practice of advances, carried out upon the extensive scale which can alone be of any service to the Company, has a strong tendency to, and, as a matter of fact, does, foster a vicious excess of speculative trading at the Indian presidencies, but more especially at Calcutta.

But this is not all. It has often happened—we are not sure that it does not constantly happen—that the fixed rate of exchange upon which the Company declare themselves ready to purchase these document bills, operates most injuriously upon the free course of the Indian exchange market. If, for example, as upon the last occasion of the advance of eighty lacs of rupees (£800,000), the exchange is fixed at 2*s.* the rupee, there is the greatest danger that the natural tendency of the market, arising out of the legitimate relations of supply and demand, to advance beyond 2*s.*, will be artificially restrained at that price by the force of the Company's notification. For it is not to be supposed that a man will sell his bill for 2*s.* 1*d.* to a merchant, when he can obtain 2*s.* from the Government officer. Here, therefore, is a most important element of disturbance introduced into the exchange transactions between the two countries, and the consequences are, that merchants and other persons remitting from India are constantly deprived of the fair and legitimate course of the market,

and that what is called Exchange business is avoided by people of substance, as a pursuit beset with too many hazards to be either safe or profitable.

We are not sure that the allegation which comes third in order is not of even greater importance than either of those which precede it. The merchants represent—and they fortify their plea with the most ample proof—that while the viciously inflated volume of exports, and the perpetual infliction of loss by a forcibly depressed exchange, are in themselves no light evils, they are not associated with any degree of immediate peril. The command of prompt resources, and the fulfilment of near engagements, however they may be ultimately damaged, cannot be placed in any instant jeopardy by an injudicious resort to the Company's office, or by a beggarly rate of conversion. But the case is very different when the provision of resources is made to depend upon the presumed appearance of the government advertisement, *and when this does not appear*. Or to state the fact in the form of an example;—There is clearly the greatest hazard of serious mischief, when A of London, reasoning from former experience, expects that at a certain time his correspondent, B of Calcutta, will be able to obtain a certain amount of funds by availing himself of the government notice of hypothecation, and therefore withholds remittances which he would otherwise have dispatched; and when, by the sudden departure of the company from their usual course, there has been no notice at Calcutta, and A has consequently been unable to obtain the accommodation reckoned upon by his constituent on this side of the water. Between London and Edinburgh, or London and Paris, or even between London and Lisbon, an irregularity of this kind would not be of the same serious moment—a few days at the most in the ordinary course of post would suffice for explanation and provision. But the case is different between this country and Bengal; for with all the amazing celerity of the overland route, the interval between the transmission and the return of a dispatch cannot be stated in less than three months; and in three months we all know that a panic might have come and gone in the regions of our commerce, leaving scarcely a stone of the edifice it found unshifted.

Now, let it be observed, that the dilemma we are suggesting is not a gratuitous hypothesis. It is not descriptive of a state of things which never occurred. Nor does it express apprehensions which never disturbed the reflections of any but the victims of supercilious caution or nervous timidity. We have before us a memorial, presented on the 22nd June, 1846, by *thirty-five* firms in Calcutta, to the Secretary of the Government Financial Department, with reference to the very point we are now consider-

ing. The immediate origin of the memorial was the intense financial pressure then existing in Calcutta, and one of the chief causes of which was the non-appearance of one of these government notifications we have alluded to—in other words, the *perilous uncertainty* in which the mercantile community were left to grope their way, and take their chance.

The memorialists state—

'We would respectfully urge on your notice, that from want of this intimation at the present moment the whole commerce of the country is placed in a most false position; for in consequence of your notification of the 22nd of December, 1845, that no further sums would be remitted from this during the official year, which expired on the 30th of April, 1846, we and all our correspondents were led to conclude that after that date the usual advances would be resumed; and, as we can prove by numerous letters, bills, and bullion, which would otherwise have been forwarded, have not been sent out, fearing the concurrence of a low government exchange from this side.'

It is not needful to go further into detail. We entertain the utmost confidence that the three very serious objections we have pointed out to the continuance of the present irresistible irruptions of the company into the exchange markets of Bengal and Bombay, can be substantiated to the fullest extent.

We are not aware that any substantial reason has ever been given at the India House why the arrangement should be persisted in; the only adequate reason for hesitation which we ever heard stated, was that which referred to the probable impossibility of raising the whole of the three millions by the sale of drafts in London, at a fair rate of exchange. We are not prepared to say that *at once* the company would be able to obtain the whole of their funds by drafts on India, but we confidently believe that if the present double system was abandoned, or, at least, reduced to some certain and periodical regularity, and the merchants having East Indian connexions could rely with confidence upon the company's bills as an exclusive mode of remittance, there would be a very large increase in the applicants at the Treasury in Leadenhall-street. The present intermittent and piecemeal procedure would disappear, and in a very short time the directors would find themselves in possession of a systematic demand, fully, or very nearly fully, as large as they could satisfy.

FAILURES IN INDIA.— BALANCE SHEETS.

MESSRS. COCKERELL & Co., CALCUTTA.

At the meeting of the creditors of Messrs. Cockerell and Co., held 16th December, 1847; from the statement of accounts laid upon the table, the liabilities and the assets of the concern appeared to be as follows;—

LIABILITIES.						Rs.
Balance due on open accounts	..	..	..	..	..	8,68,873
Bills payable .. .. .	..	..	..	..	..	28,32,097

Due to Cockerell and Co. and Cockerell, Larpent, and Co., of London, including their acceptances and bills drawn under credit	Rs. 65,94,101
Besides their claim for bills remitted on our own account, which are not likely to be paid, £25,740.	
Deceased and retired partners' balances	15,01,994
Bills drawn on London which had not been accepted	7,20,290
Ditto drawn for premiums payable to the Atlas Insurance Office, not due up to the failure of the London firm	35,780
Office rent and pay of the establishment	18,876
The whole yielding a total of	Rs. 1,25,72,011

Note.—Of the above liabilities Rs. 44,24,000 are understood to be covered by Securities standing on the Credit side in this Statement, as Rs. 62,00,000, and by Indigo the Produce of the Season valued at Rs. 6,30,000;—together, Rs. 68,30,000

ASSETS.	Rs.
Cash balance in the Bank of Bengal	29,873
Do. in the hands of the Banyan	5,496
Balances in open accounts	8,56,106
Do. due by planters and others, secured by blocks of factories and other property	74,19,871
Do. due by sugar and indigo factories, the property of the firm	13,99,447
Outlay of cultivation of the above during the season of 46-47, and that of 47-48	12,93,569
The Natmoo estate	10,74,808
Government paper, with bank's insurance, and other shares	7,91,875
Glasgow purchase account	1,39,000
Bills receivable	36,153
The total amounting to	Rs. 1,30,46,198

Or an excess of Rs. 4,74,187 of assets over liabilities.

Mr. Richards remarked, that the principle question for the consideration of the meeting appeared to him to be, whether the estate should be worked under trust, or whether it should be placed in the Insolvent Court. There was a great mass of accounts submitted, which it was impossible to wade through and examine in the course of a few hours; and his own opinion respecting the matter was, that to consult the interests of unprotected creditors, the most advisable course would be, to carry the affairs of the concern into the Insolvent Court, which, indeed, would also be an act of justice to the partners, since it would open to them an opportunity to procure their discharge, to which they were entitled. He would, therefore, propose that it was expedient for the interests of creditors that the trust should be now dissolved, and that the estate be committed to the Insolvent Court.

No objection was offered to the motion, which was put to the vote accordingly, and carried *nem. con.*

Messrs. LIVINGSTON, LYERS, & Co.

At a meeting of the creditors of this firm, held at Calcutta on the 28th December, a balance sheet was presented which showed the liabilities at 691,234 rupees, and the estimated assets at 229,484 rupees. It is hoped, however, that some further sums will be available for the assets, no sum not really available towards the liquidation of the assets having been included in the balance sheet.

MESSRS. HODGKINSON & Co., CALCUTTA.

At a meeting of creditors held pursuant to advertisement, for the purpose of considering who should be a fit and proper person or persons to be recommended as assignee or assignees of the estate of the insolvent firm, it was proposed by Mr. Robinson, and seconded by Mr. Hunter,—“That it being apparent that no creditor or creditors of the firm is or are willing to act as assignee, and Mr. William Limond, secretary to the Chamber of Commerce, having kindly consented to accept the trust, that he be recommended to the Court as a fit person to be appointed sole assignee of the estate of the firm, as also of the private estate.”

From a statement laid on the table, the following appeared to be the assets :—

Shipments on the way home	Rs. 1,05,378
Premium insurance on ditto	6,180
Estimate profit on 2,452 bales of jute included in the above shipments	8,000
Total	1,19,558
Estimate of Samuel Phillips and Co., £12,246 5s., or	1,22,462
Assets in Calcutta	41,470
Total	Rs. 2,83,490

The annexed are the Liabilities.

Bills drawn on and accepted by Messrs. Samuel Phillips and Co., £25,981 17s. 11d., or	Rs. 2,59,819
Bills, ditto, returned unaccepted, £3,000, or	30,000
Ditto, ditto, on account of premium insurances, £292 5s. 9d., or	2,922
Premium insurance unpaid	2,817
Total	Rs. 2,95,558

MESSRS. HUGHESDON, BROTHERS, AND Co., CALCUTTA.

At a Meeting of the creditors of Messrs. Hughesdon, Brothers, held on the 13th December, 1847, the following resolutions were proposed and unanimously carried :—

1st. That this Meeting condemn most decidedly the attempt which has been made by some of the creditors to obtain undue preference on the estate of Messrs. Hughesdon, Brothers, and do therefore resolve that the protection of the Insolvent Court be sought for the benefit of the creditors.

2nd. That Messrs. Richards and Kelsall be recommended as assignees to the estate, on the usual commission of five per cent., and that they be authorised to make the usual allowance to the temporary trustees, for their management prior to this meeting.

Abstract Statement of the Affairs of Hughesdon, Brothers.

<i>Liabilities.</i>		Co.'s Rs.
Book balances	86,980	
Bills, returned unaccepted	7,47,348	
Goods sold, due for December steamer, not remitted for	70,000	
Bills bought on parties who have failed	3,08,500	} 2,05,667
Say $\frac{1}{2}$ recoverable	1,02,833	
		Co.'s Rs. 11,09,996

<i>Assets.</i>	<i>Co.'s Rs.</i>
Cash	47,600
Produce in Godown, and in course of shipment	80,000
Produce shipped to London	4,36,161
Ship Sir Robert Seppings, and freight to England	1,93,177
Goods in Godown, and on the way out	2,55,550
Duties paid on Goods in Godowns, unsold	8,500
Private property of the partners, estimated at	37,000
Balance freight of City of Palaces, not drawn for	36,993
	<hr/>
	<i>Co.'s Rs.</i> 10,94,981

The Statement of affairs laid upon the table, may be briefly abstracted as follows :—

1st,—Goods shipped to, and for account of R. and J. Henderson ..	76,936
Bills drawn against same, not one of which accepted	74,363
2nd,—Goods shipped to R. and J. Henderson, account of Hughesdon, Brothers	3,59,224
Bills drawn against same, not one of which accepted	3,96,857
3rd,—Bills drawn on R. and J. Henderson, Exchange account ..	£12,260
Bills bought and remitted to R. and J. Henderson	78,279
4th,—Cost and freight of the ship Sir Robert Seppings, consigned to R. and J. Henderson	<i>Rs.</i> 1,93,177
Bills drawn against said vessel, not one of which accepted ..	1,52,626
5th,—Balance of cost and freight of City of Palaces, not drawn for	36,993
6th,—Goods in Godowns of Hughesdon, Brothers	£16,115
Ditto on the way out	9,440
	<hr/>
	£25,555
7th,—Goods sold, not remitted for	<i>Rs.</i> 70,000
8th,—Their liabilities to all parties (Hendersons included) ..	11,09,995
Assets, taking $\frac{1}{2}$ only of 3 lakhs of bad bills remitted to prove good	10,94,981

MESSRS. COLVILLE, GILMORE, AND CO., CALCUTTA.

At a meeting of the creditors of Messrs. Colville, Gilmore, and Co., held at Calcutta, 11th December, 1847, a statement of their affairs was submitted, exhibiting the following results :—

Liabilities to the Union Bank, after deducting the estimated proceeds of the indigo of the present season, pledged to the bank, and other available securities held by it	<i>Rs.</i> 14,35,700
For which the bank holds mortgages over various indigo concerns, of which a list was produced, for	14,95,000
To other parties not secured the Firm is indebted to the amount of	4,05,000
To this amount is to be added Bills expected to be returned in consequence of the failure of Messrs. Barclay, Brothers, and Co., the whole of which had been provided for by remittances, £52,760, or	52,7,600
To meet the above uncovered engagement there are balances due to the Firm which may be looked upon as immediately recoverable	3,00,000
Property to the value of	72,000
Exclusive of what may ultimately prove good of the large amount of Rs. 43,00,000 standing at the debit of Indigo and other trading accounts in the books of the House.	

MESSRS. LAKE, HAMMILL, AND CO. CALCUTTA.

At a meeting of the Creditors of Lake, Hammill, and Co., held at their office in Calcutta, Dec. 1847, a statement of affairs was submitted to the meeting, showing assets of Co.'s Rs. 10,15,934 to meet liabilities of Co.'s Rs. 9,08,265; and it was resolved that three Trustees should be appointed, and that the estate should be wound up by the present partners under their inspection; and that Messrs. Palmer, Dalrymple, and Gladstone be requested to act as Trustees.

MESSRS. SHEARMAN, MULLENS, AND CO., CALCUTTA.

At a Meeting of the Creditors of this Firm, at Calcutta, held 18th Dec., 1847, it was resolved that the estate be wound up under a Trust Deed, to continue in force for three months, and to be extended for a further period if necessary.

The statement of accounts was laid upon the table:—

<i>Assets.</i>			
Cash in Bank of Bengal	Rs. 47,070	0	2
Bills receivable	121	5	5
Bills of Exchange, £2,151 4s. 6d. at 2s.	21,512	4	0
At Mauritius	2,70,000	0	0
Estimated profit there	45,000	0	0
Goods as per Stock at Invoice valuation	1,83,175	0	0
Ditto belonging to P. Sch. and M., Rs. 29,791, (besides some watches, &c.)			
Ditto belonging to P. Smith, and M., Rs. 3,792 8			
In Point de Galle	20,000	0	0
Perkins, Schusser, and Mullins, B. account	14,946	0	0
In Bazar, personal account, $\frac{1}{2}$ John Brightman shares	2,06,000	0	0
Bill of Chauvin Freres on Mr. Farquhar, £600	6,000	0	0
Huschke, Wattenbach, and Co., T. Reid, Irving and Co., £10,151 6s.	10,158	0	0
Comm. outstanding, not brought to account	17,000	0	0
Ditto on above Goods	9,200	0	0
<i>Liabilities.</i>			
Bills payable	43,786	8	10
Sundry Book Liabilities	1,00,000	0	0
Bad Book debts owing to us, security Life Policy, £1,200	70,000	0	0
Perkins, Schlusser, and Mullens A account, (supposing them to pay their acceptances)	1,91,809	14	0
Ditto per L account	93,030	9	0
Ditto per R account	9,474	0	0
Reid, Irving, and Co's. acceptances and non-acceptances	1,42,926	0	0
Chauvin Freres	6,000	0	0
Drafts unaccepted	3,34,340	0	0
Establishment and House-rent to 15th December	700	0	0

MESSRS. LYALL, MATHESON, & CO., CALCUTTA.

At a Meeting of the Creditors of Messrs. Lyall, Matheson, and Co., held at their office, Calcutta, on the 13th of December, 1847, it was resolved, after reading the resolutions entered into at the Meeting of the Creditors of Lyall, Brothers, and Co., in London, on the 16th day of October, 1847, that the estate be wound up under inspection, and that the resolutions passed at the Meeting of the Creditors of Lyall, Brothers, and Co., be adopted as the basis of a Trust Deed to be entered into by Messrs. Lyall, Matheson, and Co., and

their Creditors, subject to such variations only as may be requisite by reason of this Estate having Factories in operation, and other circumstances in which the Estates differ.

Mr. Wm. Limond, Secretary to the Chamber of Commerce, was requested to act as the Inspector and Trustee on a Monthly Allowance of Rs. 500, and Messrs. George Brown and Francis Bailey to afford him their advice and co-operation if required.

Abstract Statement of Affairs, 20th November, 1847.

Dr.

	RS.	A.	P.
To Amount due to Foreign and Commercial Creditors, including sums at credit of retired partners	6,15,018	0	0
To amount due to Creditors in India, not commercial	52,441	0	0
	<u>Rs. 6,67,459</u>	<u>0</u>	<u>0</u>
To amount due on Bills of Exchange drawn on London against Remittances from India, £147,381 10s. 6d., or	14,73,815	4	0
To amount due on Bills payable in Calcutta	33,392	12	0
	<u>Rs. 21,74,667</u>	<u>0</u>	<u>0</u>

Cr.

By Cash and Bills on hand	18,110	11	8
By amount due on Foreign and Commercial accounts, Rs. 2,23,333; and amount due by Parties in India, not commercial, Rs. 2,41,093:—together—Rs. 4,64,426, estimated to produce	3,00,000	0	0
By Indigo, Sugar, and Silk Works in the Interior, Rs. 10,00,000; less amount of Mortgages thereon, Rs. 1,14,000; value according to the Prices which similar properties have of late realized, Rs. 8,86,000; estimated to produce	6,50,000	0	0
By Indigo, the produce of the past season, Rs. 3,55,000; Less lien thereon Rs. 2,54,000	1,01,000	0	0
By Shares in insurance and other companies estimated to produce	80,000	0	0
By Policies of insurance on lives valued at	40,000	0	0
By sundry assets	46,000	0	0
By private property of partners and office furniture	20,000	0	0
	<u>Rs. 12,55,110</u>	<u>0</u>	<u>0</u>

Equal to 9½ annas per rupee, or 57½ per cent.

THE UNION BANK, CALCUTTA.

The advices from India, to the 9th January last, received in London on the 21st Feb., contain the following particulars relative to this Bank.

“The Union Bank still lingers, lingers on, dying—if it is, indeed, to die—very hard. I should not be much surprised, however, and certainly should be well pleased, were it yet to survive, to put to shame the doctors who have given it up, and already seem very angry with it for postponing its dissolution

so long. It, in effect, suspended payments many days ago, but its creditors have been prudent or forbearing, and have not given it the *coup de grace*. It has got—or if people will let it have its own, soon will have got—some 25,000 maunds of indigo, worth, say 25 lacs of rupees. The question is, how to dispose of this property to the best advantage, and so as soonest to be converted into money or money's worth in paper. To settle this point, the directors lately summoned a meeting of proprietors, to which they submitted a proposal to ship the indigo to England for sale there, as a course likely to be more profitable than that of selling it here. The plan met with the strong disapprobation of many, which was not, it may be supposed, converted into acquiescence by the announcement that the directors proposed to send home their chairman, Mr. John Storm, in charge of the indigo. After a tough debate, however, the suggestion for the shipment of the indigo was adopted by a large majority, though the details appear to have been left for further consideration. The dissenting shareholders have called for another meeting on the subject, and this is to be held to-morrow, with what result I cannot foresee. I hear, on good authority, that the directors have a plan to submit to the proprietors for resuming and carrying on the business of the bank, but of the details of their scheme I have as yet learnt nothing.

The following are the resolutions agreed to at the meeting of shareholders, on the 31st December last. The resolutions of the directors of the 29th December was read as follows:—

"Resolved,—That it is the opinion of the directors that in the present state of monetary affairs in Calcutta a much larger sum may be expected to be realised from the indigo belonging to the bank by sending it to England for sale than by selling it here, and that by drawing against the shipments the bank would probably be put in immediate possession of funds to as great an amount as it would be by sale here."

After this was read a great deal of discussion ensued, when the following resolution was proposed by Mr. John Jenkins, and seconded by Mr. Sutherland:—

"That it is contrary to correct banking principles engaging in mercantile risk and speculating upon a rising market, and therefore that the indigo be sold by public auction in Calcutta."

To which Sir Thomas Turton proposed the following amendment, which was carried:—

"Resolved,—That it appears to this meeting that it will be most for the advantage of the proprietors and creditors of the Union Bank, that the indigo of the bank be sent home for sale, in the manner proposed by the directors in their resolution of the 29th ultimo."

The failures of Messrs. Cockerell and Co., Colville, Gilmore and Co., and Lyall, Matheson and Co., entail severe losses on the Bank. The probable extent of which may be learned from the following statements, which the failures of these Houses enable the Directors to lay before the meeting.

COCKERELL AND CO.

Liabilities	Rs. 22,26,662 10 7
Securities:—Indigo, 5,200 mds., at 120	Rs. 6,24,000
Private Bill discount	Rs. 2,55,500
Less bad,	61,000
60 Bengal Indigo Company's shares, representing	1,94,500
Indigo Factories representing	2,40,000
Indigo Factories representing	6,70,000
Making the total securities	Rs. 17,28,500 0 0

COLVILLE,, GILMORE & Co.

Liabilities	Rs. 27,21,045	4	3
Securities :—Indigo, 6,650 mds., at 130 Rs.	8,64,500;		
Indigo Factories representing	15,15,600;		
Bengal Coal Company's Shares, (at Rs. 950).	22,800;		
Private Bills disct. (2,52,517 12; Less			
bad, 32,517 12)	2,20,000;		
Making the total Securities	Rs. 26,22,900	0	0

LYALL, MATHESON AND Co.

Liabilities	Rs. 94,873	12	9
Securities :—Indigo Factories representing	Rs. 74,000		
Private Bills discounted, (Rs. 21,000; Less			
bad Rs. 6,000)	15,000		
Making the total securities	Rs. 89,000	0	0

The failures of London Houses will bring back upon the Bank returned Bills to the extent of 18½ lacs of rupees, of which four and a half lacs are understood to be secured—A considerable addition will be made to the debts of the fallen Houses here, by account of claims in respect of these returned Bills.

The misappropriation of Bank Post Bills sent to Messrs. Cockerell, Larpent and Co., has obliged the Bank to provide for a payment of 4½ lacs of rupees, which they could not otherwise have been called on to make.

Besides this gloomy catalogue of losses, the Directors feel that it is every way desirable that the Shareholders should have before them a full and precise statement of the position of the Bank. They regret that it is not in their power to make such a statement at present. They feel that in order to be satisfactory it ought to shew a full account of the Bank's Liabilities, an accurate and precise account of its Assets, distinguishing such as may be made speedily available from such as it will require time to realise, and to embody a well considered plan for future management.

The examination of the liabilities of the Bank may be almost said to be concluded. The examination of its Assets is now engaging the anxious and constant attention of the Directors; and from the securities in which many of them are locked up, it is an examination which requires close investigation and much time. The Establishment has been minutely inquired into, and a considerable reduction in the charges of management has been resolved on.

BALANCE SHEETS OF THE COMMERCIAL FIRMS WHICH HAVE RECENTLY FAILED.—ENGLISH.

[In continuation of those given in preceding Numbers.]

MESSRS. ROUGEMONT, BROTHERS.

The following balance-sheet was read at the Court of Bankruptcy, London, on the 25th January last, the firm having been made bankrupt :—

George Rougemont traded under the designation of Rougemont, Brothers, and the following balance-sheet refers to the partnership transactions of himself and his brother, Francis Frederick Rougemont (who died July 26, 1847,) and also of the subsequent transactions of George Rougemont in con-

164 BALANCE SHEETS OF FIRMS RECENTLY FAILED.

tinuing the business under the same firm, from the 1st of January, 1847, to the 30th November, 1847 (date of fiat):—

To Creditors	£28,042	18	1
To Creditors (private) of George Rougemont	136	8	5
To Creditors holding security	30,540	3	0
To Liabilities, as per contra	30,658	8	9
	£89,377	18	3
To surplus on 1st January, 1847, as per statement of affairs ..	£20,073	13	8
To money received, dividend on property of G. Rougemont's creditors	233	0	0
To profits	4,549	12	7
	£114,234	4	6
By Debtors:—			
Good	£11,077	6	8
Doubtful, 7,882 <i>l.</i> 16 <i>s.</i> , valued at	4,882	16	0
	£15,960	2	8
Bad, carried to losses below	14,919	17	7
Liabilities, as per contra	30,658	8	9
Property	7,096	6	5
Property in the hands of creditors	14,579	16	7
Cash and bills given up to official assignee—Cash	2,757	7	7
„ Bills	5,938	3	11
	£8,695	11	6
Deduct bill considered bad, carried to losses below	290	0	0
	8,405	11	6
Private property of George Rougemont	6,904	2	9
In hands of creditor	5,700	0	0
	1,204	2	9
	£77,904	8	8
By trade expenses	2,409	15	6
Losses	14,727	14	3
On bills receivable taken as bad	£290	0	0
On doubtful debts above	3,000	0	0
Bad debts	14,919	17	7
	£18,209	17	7
Less taken as bad Dec. 30, 1846	1,168	0	4
	£17,041	17	3
Amounts drawn out by the partners:—			
George Rougemont	1,007	17	11
F. F. Rougemont	1,142	10	11
	2,150	8	10
	£114,234	4	6

The official assignee, Mr. Graham, was understood to say that the bankrupts' books were numerous, and remarkably well kept. The Commissioner said that, under those circumstances he would permit the bankrupts' accounts to pass.—A dividend of 15*s.* in the pound is expected to be realized.

MESSRS. LYSAGHT, SMITHETT & Co.

A meeting of the creditors of Messrs. Lysaght, Smithett & Co., of New Broad-street, was held at their office, on the 10th February ultimo, Henry Kebbel, Esq., in the chair, when the following statement of their affairs on the 9th December last, prepared by Mr. Joseph Jackson, accountant, and corrected to the present time, was read to the meeting:—

Liabilities.

Acceptances of Messrs. Lysaght, Smithett and Co. . . .	£45,289	5	8
Deduct—Specially secured by shipping documents	£7,997	11	3
Deduct—To be paid by the drawers	17,513	9	4
	<u>25,511</u>	0	7
Amount to be claimed upon this estate	£19,778	5	1
Securities held by creditors, valued at	£16,262	8	9
Deduct their claims thereon	13,670	0	0
	<u>£2,592</u>	8	9
Surplus taken as an asset	£9,000	0	0
Creditors who are partly secured	6,915	16	11
Deduct estimated value of their securities	<u>£2,084</u>	3	1
Amount to be claimed upon this estate	2,084	3	1
Creditors who do not hold securities	4,537	14	9
	<u>£26,400</u>	2	11
Bills receivable in circulation, 20,540 <i>l.</i> 8 <i>s.</i> 4 <i>d.</i> , of which the amount expected to claim on this estate is	2,958	9	0
	<u>£29,358</u>	11	1

Assets.

Cash in the house	£342	0	9
Bills receivable in the hands of Messrs. Lysaght, Smithett and Co., 3,827 <i>l.</i> 11 <i>s.</i> 9 <i>d.</i> ; Deduct bills on Messrs. C. de Bruyn and Co., which since the 9th of December have been delivered to the persons for whom they were received by Messrs. Lysaght, Smithett and Co., 1,797 <i>l.</i> 5 <i>s.</i> 1 <i>d.</i> ; leaving bills remaining in their hands, 2,030 <i>l.</i> 6 <i>s.</i> 8 <i>d.</i> ; of these bills 1,401 <i>l.</i> 10 <i>s.</i> 11 <i>d.</i> are on Messrs. T. and H. Murray, of Liverpool, and 200 <i>l.</i> on Mr. A. A. Lackersteen; the whole are estimated to produce to this estate	1,335	19	5
Sundry debtors, considered good	10,556	19	1
Ditto, bad and doubtful, 8,243 <i>l.</i> 11 <i>s.</i> 4 <i>d.</i> ; estimated value	2,158	7	5
Surplus securities in the hands of creditors	2,592	8	9
Estimated proceeds of produce, of which shipping documents are in hand	5,412	19	0
Consignments to India and other places, for part of which it is expected remittances are now in transmission—estimated value	2,470	12	11
Office furniture and sundries	162	14	0
	<u>£25,032</u>	1	4
Deduct rent and sundries to be paid in full	1,331	9	2
	<u>£23,700</u>	12	2

166 BALANCE SHEETS OF FIRMS RECENTLY FAILED.

It was proposed by the creditors that they should be paid a composition of 12s. 6d. in the pound, with security; but Messrs. Lysaght and Co. were unable to offer more than 10s. in the pound guaranteed, in consequence of the uncertain value of debts due from houses abroad. It was therefore resolved to appoint inspectors to act with Messrs. Lysaght and Co. in winding up their affairs, in order, if possible, to obtain better terms for the creditors.

MESSRS. JOHN & HENRY REAY.

A meeting of the creditors of John and Henry Reay, in the wine trade, who failed on the 22nd November, took place on the 2nd December, when the following statement was submitted by Mr. Croysdill, the accountant called in upon the occasion:—

<i>Debtor.</i>	<i>£</i>	<i>s.</i>	<i>d.</i>	<i>£</i>	<i>s.</i>	<i>d.</i>
To creditors unsecured.....	..	..	..	14,744	10	8
To ditto holding security	20,660	9	7			
To creditors on bills of Exchange, for which we have given consideration £68,786 7 1; less, bills expected to be met at maturity, £34,680 16s.	34,105	11	1			
	54,766	0	8			
Deduct—Property held by creditors.....	21,718	17	0			
				33,047	3	8
				£47,791	14	4
<i>Creditors.</i>						
By debtors—Considered good	7,673	4	3			
Donbtful, £2,196 0s. 5d.						
Estimated value	1,000	0	0			
	8,673	4	3			
Deduct—	767	6	0			
Ten per cent. from good debts.....				7,905	18	3
By bad debts, as per list	16,672	13	4			
Bills of Exchange in hand	382	15	0			
	16,055	8	4			
By Property—Stock in trade	4,772	5	8			
Utensils in ditto	500	0	0			
Bills of Exchange.....	331	18	3			
				5,604	3	11
				£13,510	2	2

This account created great surprise, as it appeared to have been the current belief that the affairs of the firm when balanced in June last showed a clear surplus of upwards of £30,000. The chairman said, that it was only shortly before the present meeting that he became aware of the real position of the house, and that previously to its suspension he had regarded it as secure. His opinion was founded on an inspection of the books made by himself not long ago, when there was, according to the account made up, the surplus already named. Now, however, it was clear in what way that sum of £30,000 had been created. In the first place, Messrs. Reay had treated the whole amount of bills they drew upon their customers as good, whereas it was now certain that many of them would barely realize, as far as acceptors were con-

BALANCE SHEETS OF FIRMS RECENTLY FAILED. 167

cerned, 5s., 7s., or 10s. in the pound; and, in the second place, they had taken half the amount of policies which they held on debtor's lives, to the extent of about £43,000, as assets, assuming that because they possessed guarantees for the payment of premiums, they were entitled to regard that sum as available for their credit, the fallacy of which calculation was, however, at once made apparent by the recent valuation of the policies by the offices, not exceeding between £3,000 and £4,000. The facilities possessed by the firm for discounts, it seemed to be considered, had enabled them for a long period to sustain themselves, but to which a permanent check was given by the money pressure. To account for the enormous discrepancy occasioned by the statement of the existence of a surplus, coupled with the deficiency shown in the details laid before the meeting, the subjoined explanation was entered into :—

	£	s.	d.
Surplus, as per capital account on 30th June, 1847	30,919	18	9
Deficiency as per present statement of affairs.	34,281	12	2
Amount to be accounted for	£65,201	10	11
Liabilities in present statement of affairs. . .	£	s.	d.
Securities account, consisting of policies on debtors' lives; present amount to its debit, £14,692 17s., less, office value of policies, £1,872 6s. 8d.	34,105	11	1
Bad debts in present statement	12,820	10	4
Discount from debtors in present statement	17,927	15	0
Estimated loss on doubtful debts.	767	6	0
	1,196	0	5
		66,817	2 10
Less—Utensils in trade, &c. not noticed in balance 30th June		500	0 0
		£66,317	2 10

At the close of the discussion the majority of the creditors assented to proposals for the liquidation of the estate under inspection.

Messrs. NEVINS AND ALLEN.

The following is the balance-sheet of Nevins and Allen, corn-factors, whose failure took place on the 11th of August last. It shows, it will be observed, about 2s. 3d. in the pound, but the creditors were informed that some of the items have improved since the account was made up. The estate is to be liquidated under inspection :—

	Debtor.	£	s.	d.	£	s.	d.
To creditors uncovered. ....	..	..	..	..	2,229	6	8
To creditors partially covered	23,223	18	5				
Less value of securities	9,936	13	0				
					13,292	5	5
To creditors wholly secured	12,741	1	2				
Value of securities	21,359	10	8				
To creditors in respect of endorsements on bad bills receivable.	71,237	1	3				
Less securities in hands of holders	18,051	7	5				
					53,185	13	10
To claims in respect of unfulfilled contracts. .	..	..	..		1,200	0	0
					£69,907	5	11

168 BALANCE SHEETS OF FIRMS RECENTLY FAILED.

<i>Creditor.</i>			
By cash in hand	£477	14 2	£3,285 0 0
By debtors—considered good	301	4 9	
Estimated produce of £1,204, doubtful debts			778 18 11
By stock of wheat, &c. .... .	..	..	1,168 9 6
By surplus securities in hands of creditors, per contra	8,618	9 6	
Liable further to holders of bills on failed houses	6,000	0 0	
By sundry property .. .. .	..	..	2,618 9 6
By corn, &c., in the hands of other parties, claimed by Nevins and Allen	17,513	0 1	800 0 0
Deduct rents to be paid in full, and expenses of liquidation .. .. .	..	..	8,650 18 5
			524 15 3
			<u>£8,126 3 2</u>

MESSRS. LESLEY, ALEXANDER, & Co.

The following is the abstract which was exhibited at the meeting of creditors on the 28th of August, 1847:—

<i>Debtor.</i>	£	s. d.	£	s. d.
To sundry creditors unsecured. .... .	..	..	426,181	12 2
To sundry creditors partially secured	81,251	3 11		
Less estimated value of stock, £40,444 13 3; an account recoverable from debtors, £4,083 12s.	44,533	5 3		
			36,717	18 8
To sundry creditors fully secured:—Amount of stocks held, £51,172 8s. 8d.; amount recoverable from debtors, £1,601 19s. 6d. Less amount of claims	52,774	8 2		
	43,497	14 9		
Taken as an asset per contra	9,276	13 5		
To liabilities on bills receivable, £269,359 2s. 2d.; of which the amount estimated to prove claims is	103,096	16 8		
Less balance of discount account at the Bank of England, £381 4s.; less balance of dis- count account at Saunderson and Co.'s, £2,474 19s. 6d.; less amount entered in list of creditors not provable, £870 16s. 6d.	3,727	0 0		
			99,369	16 8
To liabilities—In respect of unfulfilled contracts In respect of ship charters	2,437	10 0		
	8,796	0 0		
			11,233	10 0
			<u>£573,502 17 6</u>	

By sundry debtors—	Creditor.			
Considered good	£40,450	3	6	
Considered doubtful, £49,683 3s. 9d., estimated at.	8,000	0	0	
Considered bad, £249,334 9s. 5d.				£48,450 3 6
By stock on hand—				
Estimated at present prices	78,749	4	6	
Surplus in hands of creditors per contra ..	9,276	13	5	
				88,025 17 11
By sundry property .....	..	..		9,571 14 8
By private property of Lealie Alexander, consisting of the estimated surplus of the freehold estate in the county of Derry, Ireland (after providing for the charges thereon), and the leasehold in York-terrace, Regent's-park .....	..	..		100,000 0 0
				246,047 16 1
Deduct—				
Creditors to be paid in full	9,171	18	8	
Estimated cost of liquidation, granary charges, &c.	5,000	0	0	
				14,178 11 8
				£231,869 4 5

It was agreed to wind up the affairs of the firm under inspection; but in consequence of differences amongst the creditors the matter has been thrown into bankruptcy, and a fiat has been struck against the firm.

M. LOUIS HENNEKINE, BANKER, BELGIUM.

The following has been published as the balance-sheet of M. Louis Hennekine, of Mons. Belgium, one of the leading continental bankers, who suspended payments a short time since, and it may be read with some degree of interest in connexion with the balance-sheets of the English banks which we have recently published:—

	<i>Assets.</i>	<i>f.</i>	<i>c.</i>
Debtors in account current	1,132,241	08
Securities	456,053	09
Doubtful debts	531,076	18
Bad ditto	1,418,614	88
Debts secured	152,810	72
Securities, 1,933,320f., hypothecated for 1,379,455f., leaving available	553,085	00
Share in the St. Marie Colliery	250,000	00
Plant, &c.	1,063,000	00
<i>Charleroy Branch:</i>			
Debtors in account	462,499	43
<i>Fayt Branch:</i>			
Debtors in account	110,408	21
Mill at Jemmappe, &c.	59,409	14
		6,189,977	73

<i>Liabilities.</i>				
Creditors in account	..	..	..	1,430,665 79
Securities ..	..	..	..	1,385,682 00
Charleroy Branch :				
Creditors in account and securities	..	..	..	533,151 11
Fayt Branch :				
Creditors in account, &c...	..	..	..	11,970 59
Capital ..	..	..	..	2,828,508 24
				<hr/> 6,189,977 73

The surplus, if the estate turn out as well as is expected, will be considerable.

Banking and Commercial Law.

AMERICAN LAW OF BILLS OF EXCHANGE DISHONoured.

At the present time, when our transactions with the United States unfortunately involve the return of many dishonoured bills, the following summary of the law as it exists in New York and other states of the Union, with respect to bills refused acceptance or payment, will be found interesting. It is quoted from an American Journal which can be depended on.

DAMAGES ON BILLS OF EXCHANGE.

"The laws of the State of New York, and the usages of its chief city, which is the commercial metropolis of the Union, are of most interest, and we therefore proceed to state them first.

"By the revised statutes of the State of New York, *ten per cent.* damages are given on bills of exchange returned under protest from Europe, and the amount due and the damages are calculated by adding the rate of the exchange current at the time when payment of the protested bill is demanded, and ten per cent. calculated on the face of the bill.

"An example will elucidate the rule :—

	dol.	c.
A bill is returned under protest for £100 sterling	444	44
Ten per cent. premium (say) for current rate of exchange ..	44	44
Damages ten per cent. calculated on the face of the bill at the nominal par	44	44

The amount to be paid to the holder of the protested bill .. 533 32

"If, however, the bill had been drawn in federal money—that is to say, dollars and cents.—the amount due, and the damages, would be ascertained without reference to the rate of exchange.

"Damages are in lieu of interest and of all charges previous to the non-payment; but 7 per cent. interest is allowed on principal and damages from the demand thereof.

"According to the law of New York, a bill returned under protest for *non-acceptance* carries damages, and there is no necessity of the holder's waiting to ascertain whether the bill be subsequently paid. He is entitled to recover from the date of giving notice of non-acceptance, and the interest is to be calculated from that date.

"If a bill be refused acceptance, it must be protested for non-acceptance, and, unless satisfied meanwhile, be again protested on the last of the days of grace allowed by usage, for non-payment.

"In Pennsylvania, Alabama, and Louisiana, damages on foreign bills from Europe are *twenty per cent.* In Maryland and South Carolina, *fifteen per cent.* In Georgia, Virginia, and Mississippi, *ten per cent.* In Massachusetts, *five per cent.*

"The modes of calculating the repayment of the principal and damages, and of interest, differ in these States. In the last named, Massachusetts, the bill is to be paid at the rate of exchange current when the demand is made, with five per cent. damages, and interest *from the date of the protest.*

"In Georgia, Virginia, and Mississippi, the damages as well as the principal are calculated at the current rate of exchange, and charges and interest from *date of protest* are also allowed.

"In Maryland, South Carolina, and Pennsylvania, the damages are also calculated at the current rate of exchanges, and charges of protest and interest from time of protest are allowed—except that in Pennsylvania interest only runs, as in New York, from time of notice.

"There are yet different rates of damages and rules of calculating them in other States; but we have selected the chief exporting States, and shown quite enough variety and discrepancy, to make it a subject of regret that some uniform rule on this subject does not prevail."

THE ABINGDON BANK.

Court of Bankruptcy, London, 12th February, 1848.—Before Mr. Commissioner Evans.—This was a meeting for the last examination of Henry Knapp, banker, Abingdon. In answer to questions from Mr. Hawkins, who appeared for the assignees, the bankrupt deposed:—"I carried on business as a banker at Abingdon, and had a branch at Wantage, where Mr. Pemberton attended once a week. I commenced business in 1816, as partner with my father, who died in 1825. I have since carried on the business alone, with the assistance of three clerks. I doubt whether I was solvent in 1826. From that time I became more and more involved. I attribute my difficulties to allowing interest on deposits, and having no returns. I also lost money in stock transactions, having dealt largely in the bargains in foreign and English funds, both before and after I commenced business in 1825. I could not tell my losses within £10,000. Property to the amount of about £30,000 has come to me since 1825; about £20,000 from my father, and the remainder from my aunt. In August last I assigned some property to Mr. West, my father-in-law, to whom I had applied for money. He said he had none, but could raise some on securities; he did so, and let me have it. I assigned to him an estate, some railway shares, and a few houses at Abingdon. Immediately after the change took place, the bank refused discounts, and hence our difficulties. Mr. West advanced me £9,000 on these securities; it was paid into Williams's on my account. Afterwards Mr. West and I entered into a bond for £7,000 to Messrs. Williams, Deacon, and Co., for their advances; they also received some notes of hand, which I held as securities for sums advanced to my customers. In some cases I had not made advances to the full amount of the notes, but Williams and Co. were not aware of this. In 1845 I gave a mortgage to Mr. Thomas Graham for an advance of £8,000, of which £5,000 had been advanced some years before, by Mr. William Graham. I had powers of attorney from different customers to receive their dividends half-yearly; these were to the extent of above £3,000. Williams and Co. received them for me. I don't know the balance owing to Messrs. Williams. It would vary every day. I have not yet been able to file my balance sheet; I fear I shall not be able to produce a very accurate one. It will require two months at least.

"Mr. Smythe, who appeared for Mr. Belcher, of Abingdon, a creditor, stated that there had been cross accounts between Mr. Belcher and the bank; Mr. Belcher

owed the bank £81, and there was due to him from the bank £193; leaving a balance due to him of £112. Mr. Belcher was collector of a charity at Abingdon called Christ's Hospital, in which capacity he kept an account at the bank, headed "Wm. Belcher, hospital collector." On this account the bank had been in advance to Mr. Belcher, £86 5s. 3d. By a bond to the governors of the hospital, Mr. Belcher was bound to account yearly, and to deliver over the balance due to the hospital. Hence the bank was not the banker of the charity, but of Mr. Belcher, who was thus placed in a different position from a receiver in Chancery, or a bailee of goods, being absolutely responsible for the safe custody of the monies of the charity. The second account was that which Mr. Belcher had kept as treasurer of the borough fund; and in respect to this his position was precisely the same, a bond being given to the corporation, and Mr. Belcher having full discretion as to the custody of the funds. On this account there was a balance due to Mr. Belcher of £193. In ordinary cases, he would have been entitled to set off one of these balances against the other; and there was a decision in "*Ex parte Pearce*" (2 Montague and De Gex, p. 142), which brought this case clearly within the same rule.—Mr. Hawkins said the case was a novel one to him, and he hoped the argument would be deferred till he had had time to look into the authorities.—The Commissioner said there was no doubt whatever as to the law of the case. The proof must be admitted as to the balance. Ultimately, the case was adjourned till the 14th of April.

BANKERS' LIABILITY FOR CHEQUES DRAWN ON ACCOUNT OF A COUNTRY AGENT, WHO FAILED.

At the City County Court, London, an action was brought lately by a Mr. Hewitt, against Messrs. Williams, Deacon, and Co., the well-known bankers, to recover the amount of a crossed cheque on account of Knapp and Co., bankers, of Abingdon, who had become bankrupts. The facts were these:—The money had been paid into the Abingdon Bank, and advice thereof was given to the plaintiff, who applied next day to Messrs. Williams and Co. The plaintiff not applying in person, the cheque drawn by Williams and Co. upon themselves was "crossed" Spooner and Co. (the plaintiff's bankers). The cheque was not paid in on the same evening, and the next day Messrs. Williams and Co. refused to honour it, on the ground that Knapp and Co. had become bankrupts, and that they (Williams and Co.) so far from having money in hand, were creditors. His Honour said the evidence bore out this fact; but the defendant, by giving their cheque, had admitted legally their liability to pay the amount, and they had also admitted that if the cheque had been presented before "clearing hours," it would have been paid, according to the custom of bankers. The defendants had, unfortunately for themselves, in this case, made themselves liable, and the judgment must be for the plaintiff.

THE SHAFTESBURY AND SALISBURY BANKS.

Bankruptcy Court, 5th February, 1848.—The solicitors for the assignees, under the fiat issued against Messrs. Brodie, the bankers of Salisbury, attended before Mr. Commissioner Goulburn, to support a summons under 1 and 2 Victoria, chap. 110, which has been issued against Thomas King, Esq., of Alvidiston, Wilts, the principal of the Shaftesbury Bank.

The object of the application was that Mr. King should give security as to a sum of £2,800, alleged to be due to Mr. William Bird Brodie, or otherwise to be declared a bankrupt.

After some discussion it was arranged that Mr. King should enter into the usual bonds in the sum of £1,000 each.

LIABILITY FOR FORGED ENDORSEMENTS ON A BILL OF EXCHANGE.

TUCKER V. ROBERTS AND OTHERS.

Court of Queen's Bench, London, 24th of February, 1848.

This was an action by the plaintiff, as the public officer of the Pelican Life Insurance Company, against the defendants, who compose the firm of Roberts and Co., Bankers, in Lombard-street, to recover the sum of £5,000, under the following circumstances :—The defendants had acted as the bankers of the company, and a bill of exchange, accepted by the company, was presented to the defendants' house, and paid by them. This bill was drawn by an authorized agent of the company, payable to certain persons therein named, or their order, and was duly accepted by the representative of the company in London. The bill, when presented at the house of the defendants, was endorsed as payable to the order of persons whose names appeared to be signed thereon. This endorsement afterwards turned out to have been forged. The question therefore in substance was, which of the two innocent parties was to suffer the loss occasioned by this forgery. The origin of the bill was this. John Isherwood, Esq., who had effected an insurance on his life with the Pelican Life Insurance Company, for the sum of £5,000, died on the 13rd of May, 1839, leaving his property to certain ladies, as his executrices, to whom the sum secured by the policy became payable. Mr. Isherwood had during his life employed a person named Winterbottom, of Stockport, as his attorney; and after his death, Winterbottom acted as attorney for the executrices. Up to that time Winterbottom had maintained a very high character, and he was much trusted by the executrices. When the settlement of the estate of Mr. Isherwood took place, this sum on the policy was taken into account, and the directors, according to established custom, made an order on the company's agent in the north, to draw a bill on the company for the amount. This agent was Mr. Tate, of Manchester, and in the usual course of business he drew a bill on the company for the sum of £5,000, payable seven days after sight, to four persons therein named, who were the executrices of Mr. Isherwood. As these parties resided in the country, the bill was made payable to them, or "their order," and when so accepted was handed over to Winterbottom, who forged the signatures of the executrices to the indorsement. With these forged signatures on it he presented it at the office of the company for acceptance. It was accepted in the usual manner, payable at Roberts and Co.'s, where, on its becoming due, which was on the 16th of January, 1840, it was paid. The forgery remained undiscovered till the month of July in that year, when the culprit was found out, and Winterbottom was indicted for the forgery, convicted, and sentenced to be transported. The money being again claimed by the executrices as unduly paid without their order, a dispute arose between the Pelican Office and the defendants, as to who should bear the loss. The case went into Chancery, and it was then arranged that this action should be brought in order to take the opinion of the Jury on the question.

For the plaintiff it was contended that as the bills was payable to the parties named, or their order, the defendants were bound to satisfy themselves that the order given was that of the parties entitled to give it; it was their duty to enquire into the genuineness of the supposed order; that to pay the bill without any inquiry of that sort, was an act of negligence, and that for the loss thus occasioned the defendants were liable.

For the defendants it was argued that their duty to examine into the genuineness of the document could only exist as to anything which was written upon it after the acceptance by the company; that as to anything which occurred before that time, the acceptance itself was to them a warranty of genuineness, and that they had nothing to do but to obey the duty which that acceptance imposed upon them.

Lord Denman left the case to the jury, who, after a short consultation, found a verdict for the defendants under all the circumstance of the case.

Lord Denman asked what those circumstances were?

The foreman answered, "The indorsement being on the back of the bill when it was accepted by the company."

Sir F. Kelly insisted that the effect of that was a question of law alone.

The Attorney-General answered that that was a reason of fact, but that the jurors had given a verdict, and were not obliged to give a reason for their verdict.

Lord Denman reduced the statement of the jury into writing, read it aloud, and then accepted the verdict for the defendants.

Railway Digest.

RAILWAY BALANCE SHEETS.

LONDON, BRIGHTON, AND SOUTH-COAST RAILWAY.

[Half-yearly Meeting, 11th February, 1845.]

Stock and Shares and Mortgage Account, to December, 1847.

DEBTOR.									
Amount raised—Stock and shares created, viz:—									
42,602 original shares (Brighton) at 50 <i>l</i>.	..	..	..	..	..	£2,130,100	0	0	
306 quarter shares (Brighton) at 12 <i>l</i> . 10 <i>s</i>.	..	..	..	..	..	3,825	0	0	
4,599½ B eighths (Brighton) at 50 <i>l</i>.	..	..	..	..	..	229,962	10	0	
55,340½ B eighths (Croydon) at 18 <i>l</i> . 10 <i>s</i>.	..	..	..	..	..	1,023,806	3	9	
12,604 9-10ths C fifths (Brighton) at 50 <i>l</i>.	..	..	..	..	..	630,245	0	0	
2,227—1,468 E preference, at 50 <i>l</i> .; converted 10th August, 1847	..	..	..	..	..	73,400	0	0	
769 E preference, at 50 <i>l</i> .; converted 31st December, 1847	..	..	..	..	..	37,950	0	0	
Total stock	..	..	..	..	..	£4,129,288	13	9	
9,727 9-10ths D eighths (amalgamated Company) at 50 <i>l</i>.	..	..	..	..	..	486,395	0	0	
73 B eighths, guaranteed until 1856 (Brighton), at 40 <i>l</i>.	..	..	..	..	..	2,920	0	0	
Guaranteed preference shares—									
44,252 thirds (Croydon) at 9 <i>l</i>.	..	..	..	..	..	398,268	0	0	
E preference shares, convertible, 1848—									
5,446 4-15ths created.	..	..	..	..	..
3,219 4-15ths remaining, at 50 <i>l</i>.	..	..	..	..	..	160,963	6	8	
1,640 F preference, convertible, 1852, at 50 <i>l</i>.	..	..	..	..	..	82,000	0	0	
Loans	..	..	..	..	..	1,500,548	0	0	
Total raised	..	..	..	..	..	£5,259,835	0	0	
Balance yet to be raised	..	..	..	..	..	252,716	0	0	
Under Portsmouth Extension Act	..	..	..	..	..	108,666	0	0	
						£5,581,000	0	0	1,859,930 0 0
CREDITOR.									
Capital authorised to be raised, viz:—									
Consolidated Act (9 and 10 Vict. c. 283)	..	..	..	..	..	4,730,000	0	0	1,576,666 0 0
East Grinstead branch (9 Vict. c. 54)	..	..	..	..	..	80,000	0	0	26,666 0 0
Newhaven, Hailsham, &c., branches (9 Vict. c. 63)	..	..	..	..	..	182,000	0	0	60,800 0 0
Littlehampton branch (9 Vict. c. 68)	..	..	..	..	..	45,000	0	0	15,000 0 0
Steyning branch (9 Vict. c. 69)	..	..	..	..	..	44,000	0	0	14,666 6 0
Deptford branch (9 and 10 Vict. c. 234)	..	..	..	..	..	40,000	0	0	13,000 0 0
Wandsworth branch (9 and 10 Vict. c. 81)	..	..	..	..	..	140,000	0	0	46,666 0 0
						£5,261,000	0	0	1,753,264 0 0
Portsmouth Extension (8 and 9 Vict. c. 199)	..	..	..	..	..	320,000	0	0	106,666 0 0
						£5,581,000	0	0	1,859,930 0 0

Statement of CAPITAL ACCOUNT to December 31, 1847.

Debtor.

	£	s.	d.	£	s.	d.
To Amount expended to 30th June, 1847	3,314,637	10	1			
Deduct Plant	361,566	15	10			
Leaving Total Cost of Main Line to 30th June, 1847...	2,953,070	14	8			
FURTHER CHARGES, HALF-YEAR ending 31st December, 1847, viz.:-						
Land and Compensation		51	5	0		
Law and Parliamentary Expenses		1,543	19	11		
London Joint Station		1,606	8	11		
Brighton Station, additional Works, lengthening of Tunnel		3,051	13	10		
Road Stations, Bridges, Cottages, Sidings, &c.		10,983	14	8		
Kingston Wharf		452	18	11		
Engine and Carriage Manufactory, and Repairing Shops ...		6,851	4	9		
Kingston Coke Ovens		1,863	16	2		
Engineering (Settlement of Contracts).....		500	0	0		
Less for Land sold	£80	0	0	26,902	17	3
Transit Instruments sold	47	5	0	107	5	0
TOTAL MAIN LINE TO 31ST DECEMBER, 1847 2,979,866	6	5				
AMOUNT EXPENDED IN PLANT AS ABOVE	361,566	15	10			
FURTHER CHARGES, HALF-YEAR ending 31st December, 1847, viz.:-						
Engines, Tenders, and Machinery	£59,008	8	0			
Carriages, 1st, 2nd, and 3rd Class	21,574	19	8			
Horse Boxes, Luggage Vans, Waggons, &c....	20,771	18	5	101,355	6	1
TOTAL PLANT, TO 31ST DECEMBER, 1847	£402,922	1	11			

	To 30th June, 1847.	30th June to 31st Dec., 1847.	Total, to 31st Dec., 1847.
	£ s. d.	£ s. d.	£ s. d.
Relaying Croydon Line	53,903 0 2	3,981 16 5	57,284 16 7
Printing, &c., New Shares Account...	830 7 9	502 0 7	1,332 8 4
Interest on Third Shares	42,766 12 7	9,923 17 9	52,690 10 4
New Bridge, Norwood	1,721 15 1	...	1,721 15 1
HASTINGS BRANCH	670,109 2 2	13,628 8 8	683,737 5 10
KEYMER BRANCH	143,447 10 5	33,866 17 2	177,314 7 7
NEWHAVEN BRANCH	45,484 0 5	39,273 12 2	84,757 12 7
CROCHESTER BRANCH	394,906 2 2	23,497 1 5	418,403 8 7
PORTSMOUTH EXTENSION	293,057 18 11	61,895 14 7	354,953 13 6
HORSHAM BRANCH	63,537 14 2	8,194 8 3	71,521 17 5
CROYDON ATMOSPHERIC LINE AND } EPSON BRANCH.....	495,573 12 6	28,474 8 2	522,048 0 8
THAMES JUNCTION	6,366 3 10	25,775 13 6	32,141 17 4
STEYING BRANCH	2,176 2 1	818 9 6	2,992 11 7
EASTDOVERNE AND HAILSHAM } BRANCH.....	19,094 7 2	14,685 1 4	33,759 8 6
DORKING BRANCH	11,811 6 8	170 16 0	11,482 2 3
WANDSWORTH BRANCH	7,871 6 4	921 5 5	8,792 11 9
EAST GRINSTEAD BRANCH.....	3,772 11 5	198 8 0	3,961 19 5
BOGNOR BRANCH	8,970 9 5	542 2 0	4,512 11 5
LITTLEHAMPTON BRANCH	1,238 1 3	505 6 5	1,743 7 8
GREAT KENT LINE	51,544 3 0	26,689 19 0	78,214 2 0
Parliamentary and Miscellaneous } Expenditure	21,565 2 9	49 5 0	21,614 7 9
Amalgamation Expenses	3,812 12 8	262 13 0	4,075 5 8
Opposition to Tunbridge Wells and } Hastings Line	6,398 4 7	74 17 6	6,473 2 1
Extension to London Bridge.....	687 5 2	2,042 0 6	2,729 5 8
London Bridge Station Enlarge- } ment	197 9 6	6,577 10 8	6,774 19 9
	2,344,543 1 9	300,490 2 7	2,645,083 4 4
			£26,087,821 12 8

Creditor.

By Amount received on Shares, viz.:		£	s.	d.	Amount Recd.
42,678½	Brighton Shares.....	1,892,073	5	0	£ s. d.
55,340½	Croydon Shares	736,782	6	8	
					2,628,854 11 8
		Amount Due.		Arrears.	
		£	s.	d.	£ s. d.
44,252	Third Shares at £9	398,268	0	0	397,260 0 0
4,599½	Consolidated Eighth Shares Bat at £50	229,962	10	0	229,894 10 0
73	Ditto 5 per cent. Guaranteed until 1st January, 1856, at £40 }	2,920	0	0	2,920 0 0
12,604 ⁹ / ₁₀	Consolidated Fifth Shares C, at £50	630,245	0	0	623,733 0 0
9,727 ⁹ / ₁₀	New Eighth Shares D, at £30 called up	291,837	0	0	261,620 3 6
5,446 ⁴ / ₁₆	{ 3,219 ⁴ / ₁₆ Preferential Fifteenth Shares E, Convertible at £50..	273,313	6	8	271,478 13 8
	{ 2,227 Ditto Converted..				
1,640	Preferential Shares F, convertible 1852, at £50	82,000	0	0	82,000 0 0
		£ 1,907,545	16	8	39,439 9 6
Amount of Mortgage Debt, 30th June, 1847		1,557,748	0	0	
Less:—					
Balance Paid off during this Half-Year.....		57,300	0	0	
Balance of Loan Notes not paid off, 30th June 1847		1,290	0	0	1,500,548 0 0
Deduct amount paid off this Half-year		700	0	0	
Balance yet to be paid off					590 0 0
Amount received as deposit on Kent Stock					539 14 0
Premium received on Consolidated Eighth Shares, sold as per printed state- ment, 31st December, 1845					151 3 9
Amount received for Calls paid in advance on 4th and 5th Calls, new Eighth Shares					10,290 0 0
					6,009,670 16 7
Balance.....					78,741 16 1
					£ 6,087,631 12 8

REVENUE ACCOUNT, Half-year ending December 31, 1847.

Debtor.

	£	s.	d.	£	s.	d.
TO MAINTENANCE OF WAY—						
Repairs of Line				9,222	16	3
Repairs of Stations.....	£1,898	1	4			
Cost of Gas	748	17	8			
Engineers' Salary and Inspector's Wages				2,136	18	4
				573	6	4
						11,933 1 2
LOCOMOTIVE POWER—						
Working Engines.....				11,752	5	1
Repairing Engines				15,325	12	8
Coke for Engines				19,543	0	2
Engineers' Salary and Inspector's Wages.....				376	0	0
						46,996 17 11
COACH AND WAGGON REPAIRS AND ALTERATIONS				8,146	3	6
COACHING, including Salaries of Clerks, Wages of Porters and Guards, Clothing, Stores, &c.				15,455	5	1
GOODS—Salaries, Wages, Horse Hire, Stores, &c.				4,387	14	2
ELECTRIC TELEGRAPH				78	4	11
OFFICE CHARGES—Salaries of Manager, Secretary and Clerks, in the Audit, Stores, and London Offices				1,357	19	0
DIRECTION AND AUDITORS				825	0	0
STATIONERY, ADVERTISING, AND PRINTING.....				1,722	8	8
MISCELLANEOUS CHARGES	£242	10	6			
LOSS ON LIGHT GOLD	203	12	2			
LAW CHARGES						548 2 8
						459 2 4
WORKING EXPENSES						91,836 19 5

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	Credit.		£	s.	d.	£	s.	d.
BY PASSENGERS	{ 1st Class, 253,481 2nd Class, 533,138 3rd Class, 806,372	65,548 14 11 73,187 4 6 48,841 5 9						
	Total.....	1,592,986	187,557	5	2			
Periodical Tickets.....		5,185	7	0				
Horses, Carriages and Dogs.....			192,742	12	2			
Parcels			5,080	18	7			
Mails			6,060	9	11			
Goods			740	8	8			
Cattle			28,721	15	10			
			1,350	11	6			
Transfer Fees						234,696	16	8
						184	7	6
ORDINARY TRAFFIC						234,881	4	2
RENTS						1,013	11	2
KINGSTON WHARF.....						508	5	3
COLD BLOW WHARF.....						1,019	1	4
TOLL FROM THE SOUTH EASTERN RAILWAY COMPANY						18,188	13	4
By Balance, 30th June, 1847			£35,282	6	10			
Add Profit on issue of Preferential Shares in September last ...			463	10	0			
			85,685	16	10			
Deduct Dividend			85,230	6	11			
						465	9	11
TOTAL.....			£251,076	5	2			

London, February 5, 1847. HENRY W. ANDREWS, Auditor.

Capital.	Per ann.	Half-year's dividend thereon.
Stock	£4,129,288 13 9 at 4	per cent. £82,585 15 6
Croydon Thirds	398,268 0 0	9,966 14 0
B Eighthths	2,920 0 0	73 0 0
B Preference, 1848	160,963 6 8	4,024 1 8
F Ditto, 1852	82,000 0 0 at 5	or 14s. 9d.
		Per share 1,209 10 0
D Eighthths, 30 $\frac{1}{2}$ paid	291,837 0 0 at 4	or 10s. 8d.
		Per share 5,188 4 3
	<hr/>	<hr/>
	*5,065,277 0 5	103,037 5 5
Debt	1,500,548 0 0	Interest 27,730 10 5
	<hr/>	<hr/>
	£6,565,825 0 5	£130,767 15 10
Surplus to be carried to the half-year ending June 30, 1848	(See Revenue Account)	422 2 11
		£131,189 18 0
February 5, 1848.		
Note.—D Eighthths, 20 $\frac{1}{2}$ }	*5,065,277 0 5	
unpaid }	194,658 0 0	
(See Stock and Shares Account)	<hr/>	
	£5,259,835 0 5	

LONDON AND SOUTH-WESTERN RAILWAY.

[Half-yearly Meeting held 17th July, 1848.]

The Directors invite the attention of the Proprietors to the receipts and expenditure of the half-year ended on the 31st of December last:—

	£	s.	d.
The gross income amounts to	247,625	7	4
The gross expenditure, including £12,200 5s. 7d., interest on borrowed capital, and the £5,674 voted at the last half-yearly meeting to the holders of old £40 shares, amounts to	143,145	16	2
Showing a balance applicable to dividend of	104,479	11	2
Since the last half-yearly meeting, the dividend-bearing shares in the Company have been converted into consolidated stock, and the dividend which the Directors recommend to be now made, is at the rate of 8 per cent. per annum on the amount of such stock, subject to Income-tax. There will remain a sum of £3,067 3s. 2d. to be carried to the credit of the current half-year.			

CAPITAL ACCOUNT.

Dr.		£	s.	d.
Amount expended to the 30th June, 1847	2,639,118	10	2	
Since paid—Bishopstoke and Salisbury	257,909	10	5	
<hr/>				
Cr.		£2,897,028	0	7
Received for land	109	17	5	
<hr/>				
Total ..	£2,896,918	3	2	

NEW LINES, 1845 TO 1847.—RECEIPTS.

New shares, 1845, £1,467,226 10s.; tenth shares, 1846, £493,848;	
new shares, 1846, £665,104 6s. 8d.; debenture bonds, £708,820;	
payments on shares in advance, £96,003 10s. 3d.	3,431,002 6 11

LINES OPENED.—PAYMENTS.

Richmond Railway, £353,490 7s. 6d.; Guildford Junction Railway, £79,066 17s. 11d.; Southampton and Dorchester Railway, £657,153 4s.; Lines constructing:—Metropolitan extension—to Hungerford and Waterloo-bridges, £686,590 19s. 1d.; metropolitan extension—to London-bridge, £11,860 14s.; Hampton Court branch, £8,582 17s. 5d.; Weybridge and Chertsey branch, £38,850 17s. 8d.; Guildford extension, and Portsmouth and Fareham, £254,445 11s.; Farnham and Alton, £132,644 13s.; Basingstoke and Salisbury, £181,165 16s. 11d.; Andover and Southampton, £8,187 13s. 11d.; Windsor, Staines, and South Western, £142,164 4s. 10d.; Exeter, Yeovil, and Dorchester, £40,397 11s. 9d.; New South-Western Steam Navigation Company, in part of loan, £33,500; Epsom line, expenses incurred in 1844, '45, and '46, £12,330 7d.; Cornwall and Devon Central Line, contribution towards expenses, 1844, £3,000; Sutton Harbour, contribution towards expenses and payments on shares, £6,827 7s. 6.; Exeter and Exmouth, deposit on shares, £3,871 10s.; Taw Vale Railway, shares and loan, £93,920 4s. 7d.; Bodmin and Wadebridge, purchase of shares, £27,000; Western lines—principally in contribution towards expenses of the London, Salisbury, and Yeovil, and Cornwall and Devon Central Lines, 1845-46, and arrangements with the Scripholders therein, and on account of expenses West of Salisbury, 1846-47, £140,340 13s. 1d.; surveying and engineering, not otherwise at present allocated, £11,810 8s. 3d.; law expenses, ditto, £14,052 19s. 1d.; alterations and additions to stations, £39,539 13s. 4d.; coke ovens, Southampton, £4,243; rails and chairs, £13,691 11s.; carriages, £151,025 18s. 6d.; engines, £95,765 4d.; construction of way and works generally, £10,155 6s. 3d.; travelling expenses, £1,273 2d.; printing, stationery, and advertisements, £2,836 16s. 10d.; postage, £534 9d.; sundry petty disbursements, £6,241 16s. 9d.; Debenture bond stamps, £2,550 16s.; interest on new Shares and Debentures, £97,033 2d.; sleepers, £1,683 14s. 10d.

Which deducted from receipts as above, leaves a Balance £63,874 1 11

REPORTS AND BALANCE SHEETS.

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DEPOSIT ACCOUNT ON SCRIP THIRDS.

	£	s.	d.
Amount received	161,940	0	0
Deposited in the Court of Chancery on the several works promoted by this Company, £93,133 6s. 8d.; paid deposits on shares in the Exeter, Yeovil, and Dorchester, and Windsor, Staines, and South-Western Companies, £86,908	160,011	6	8
Balance	£1,898	13	4

REVENUE ACCOUNT TO 31st DECEMBER, 1847.

RECEIPTS.

Traffic, viz :—Passengers, £184,625 7s. 3d.; carriages and mails, £5,163 17s. 11d.; horses, £2,313 15s. 2d.; parcels, £8,593 14s. 11d.; live stock, £769 11s.; goods, £44,956 14s. 8d.	246,413	0	11
Balance of former account, £390 4s. 9d.; rent of Francis's premises, £125; rent of land and cottages, £187 4s. 9d.; pier dues, £566 3s. 1d. less expenses, £238 8s. 8d.—£327 14s. 6d.; transfer fees, £182 2s. 6d.	1,212	6	5
	£247,625	7	4

EXPENDITURE.

Maintenance of way:—Contract for six months, including Gosport Branch, £13,760; new works and maintenance, £2,060 18s. 9d.; sundries chargeable to maintenance of way and works, £78 7s. 5d.; Guildford Branch, £465 15s. 4d.; Richmond ditto, £700	17,065	1	6
Locomotive department:—Wages of enginemen and firemen, £5,394 13s. 9d.; materials used in repairs, inclusive of oil, cotton waste, fuel, &c., £4,266 6s. 4d.; gas, £81 10s. 6d.; wages of mechanics, labourers, and cleaners, £8,238 7s. 9d.; superintendents', clerks', and foremen's salaries, £1,200; coals and coke, £15,273 0s. 10d.	34,453	18	1
Carriage department:—Men's wages, £3,087 1d.; materials for repairing carriages, wagons, trucks, &c., including oil, cotton waste, cleaning, &c., £4,063 5d.; gas, £21 6s. 11d.; coals and coke, £490 8s. 1d.; Superintendents', clerks', and foremen's salaries, £454	8,115	14	6
Charges on general traffic:—Guards', porters', and gatekeeper's wages, £18,307 17s. 9d.; management, inclusive of all salaries, excepting locomotive and carriage superintendents, £10,037 17s. 5d.; Direction, £1,000; police, £2,706 11s. 8d.; stores applied to stations, £2,051 9s. 3d.; repairs and alterations of stations, £3,262 12s. 10d.; compensations, £680 16s. 11d.; horse keep, to avoid manual labour, £917 7s. 3d.; gas, £1,809 7s.; printing and stationery, £3,618 2d.; advertisements, £167 1s. 6d.; postage, £132 6s. 1d.; sundries charged by stores and other departments, for tarpaulins, canvas, lamps, oil, &c., applicable to general traffic, £2,539 7s. 3d.; loss on light gold, £31 18s. 7d.; insurance, £69 7s. 6d.; petty disbursements, travelling, and incidental charges, £1,331 2s. 11d.	48,712	4	1
Rates and taxes, £8,878 9s. 6d.; Government duty, £7,686 2s. 11d.	16,564	12	5
Debenture Bond Interest, £12,200 6s. 7d.; Gosport Share interest, £360	12,560	5	7
	£137,471	16	2
Balance	£104,479	11	2

TRAFFIC FOR HALF-YEAR ENDING DEC., 1847.

	Ordinary Passengers.	Day Passengers.	Total Receipts.
	£	s.	d.
July	244,319	37,323	46,671 16 5
August	234,826½	35,827½	45,131 9 10
September	203,432½	31,040½	40,754 0 11
October	166,763½	26,792½	36,545 3 6
November	130,275	21,903½	27,798 6 9
December	131,775½	20,069	28,601 15 10
	1,111,392	172,956	£225,502 13 3
Add day	172,956	Due for Goods	17,490 19 6
		Due for Mails	3,419 8 2
Total	1,284,348		Total, £246,413 11 0

GREAT WESTERN RAILWAY.

[Half-Yearly Meeting, 17th February, 1848.]

CAPITAL ACCOUNT.

General Statement of Receipts and Expenditure, to the 31st December. 1847.

RECEIPTS.

Amount received on account of capital, viz.: calls on £100 shares, £2,124,005; calls on £50 shares, £1,398,490; calls on £25 shares, £1,309,708; calls on £20 shares, £713,634; calls on £17 shares, £447,590 10s.; advances on £25 and £17 shares, £62,270, £6,055,697 10s.; debentures and advances in anticipation of calls on shares, £421,740 6,477,437 10 0

Amount received on debentures, viz.:—mortgage of

Great Western Railway and new lines, £3,218,497

13s. 4d.; mortgage of Cheltenham and Great Western

Union Railway, £28,544 15s. 8d. 3,247,042 9 0

Amount received on loan notes, loans, &c. 1,272,410 0 0

£10,996,889 19 0

EXPENDITURE.

Great Western Railway, viz.:—expenditure to 30th June, 1847, as per former statement, £7,326,760 4s. 5d.; deduct amount expended to that date, in locomotive engines, carriages, and plant, available for all the line worked by this Company, (as mentioned in the last Report,) £755,896 17s. 4d. £6,570,863 7 1

Additional works, including new buildings and shops, with machinery for manufacture of engines, &c., and also new cottages at Swindon, for workmen, £55,297 5s. 7d.; Parliamentary expenses, £33,554 13s. 4d. 88,851 18 11

£6,659,715 6 0

Cheltenham and Great Western Union Railway, viz.:—Expenditure to 30th June, 1847, as per former statement, £1,031,183 2s. 7d.; expenditure to 31st December, viz.:—Land and works, including stations, £11,917 3s. 9d.; permanent way, £29,192 3s. 3d.; Parliamentary and law expenses, £2,201 16s. 7d.; engineering expenses, £135 8s. 5d.; general office expenses, £183 14s. 9d.; interest on outlay between Gloucester and Cheltenham, to 23rd October, 1847, when it was opened for traffic, 3,080 0s. 4d.: £46,710 7s. 1d.; deduct amount received back out of the money invested for moiety of the line between Gloucester and Cheltenham, £3,533 6s. 8d.; amount received on account of the construction of the Bristol and Gloucester line at Standish, £11,000: £14,533 6s. 8d.; total, £32,175 5d. £1,063,360 3 0

Oxford Railway:—Expenditure to 30th June, 1847, as

per former statement, £174,847 9s. 6d.; expenditure

to 31st Dec., 1847, viz., works, £228 1s. 9d. 175,075 11 3

Total sum expended for lines opened throughout £7,861,151 0 3

Berks and Hants Railway:—Expenditure to 30th June, 1847, as per former statement, £595,878 15s. 3d.; land and compensation, £13,732 19s. 1d.; parliamentary and law expenses, £1,000; engineering expenses, £3,686

11s.; works, stations, &c., £53,305 6s. 11d.; permanent way, £30,279 19s.; general expenses, £869 9s.; debenture stamps, £422; interest on expenditure to 31st of December, when a portion of the line (25 miles to Hungerford) was opened, £15,392 4s. 7d.; interest on the proportion of capital representing the unopened line only (15 miles to Basingstoke), to 31st December, £352 6s. 5d.; £119,040 16s.	£714,919 11 3
Oxford and Rugby Railway:—expenditure to 30th June, 1847, as per former statement, £476,997 15s. 11d.; land and compensation, £4,107 8d.; parliamentary and law expenses, £1,000; engineering expenses, £4,203 11s. 3d.; works, £16,025 1s. 4d.; permanent way, £11,830 6s. 5d.; general expenses, £1,050 11s. 3d.; debenture stamps, £528; interest on expenditure, £12,581 11s. 7d.; £51,326 2s. 6d.	528,323 18 5
Monmouth and Hereford Railway:—expenditure to 30th June, 1847, as per former statement, £136,938 17s. 5d.; ditto to 31st December, viz.:—land and compensation, £135 18s.; vendors' costs and expenses, £14 2s.; parliamentary and law expenses, £1,450 0s. 2d.; engineering expenses, £4,511 8s. 5d.; permanent rails, £8,177 8s. 9d.; general expenses, £637 12s. 11d.; debenture stamps, £372; interest, £3,583 4s. 9d., £18,881 15s.	155,820 12 5
Great Western Branches and Extensions, viz.:—West London Railway, £32,089 17s. 9d.; ditto Extension £5,957 14s. 10d.	38,047 12 7
	<hr/> £1,437,111 14 8
Amount of advances by subscription authorised to other railway companies, and of expenses for their account to be reimbursed to this Company, £1,156,999 13s. 2d.; less amount raised under guarantee of this Company, in pursuance of resolutions of the 19th August, 1847, £342,500	814,499 13 2
Locomotive stock:—engines, carriages, wagons, &c.; paid to 30th June, 1847, as above, £755,896 17s. 4d.; ditto this half-year, £64,976 12s. 8d.	820,873 10 0
Total sum expended for lines opened throughout (as above)	7,898,151 0 3
	<hr/> £10,970,635 18 1
	<hr/> £26,254 0 11

Revenue Account, from the 1st July to the 31st December, 1847.

EXPENDITURE.

Maintenance of way, stations, and works, £36,711 6s. 10d.; locomotive account (as per Abstract 1), viz.:—coal, coke, repairs, wages to drivers, firemen, &c.; oil, tallow, and all other incidental expenses, £62,566 6s. 8d.; carrying account (as per Abstract 2), viz.:—wages to guards, police, porters, clothing, repairs of carriages, oil, tallow, &c., £54,367 18s. 10d.; general charges (as per Abstract 3), viz.:—superintendents and clerks, advertising, printing, stationery, and sundries, including travelling expenses, £21,584 18s. 10d.; disbursements for repairs and alterations of stations, &c., and for insurance, £739 4s.; com-

pensation returns, and allowances, £820 12s. 10d.; government duty on gross receipts from passengers, £15,611 2s. 2d.; rates and taxes, £14,383 5s. 4d.; general offices:—direction, salaries, and all office expenses, £3,659 3s. 1d.	£210,443 18 7
Balance for the half-year ending 31st Dec., 1847	324,011 1 4

£534,454 19 11

RECEIPTS.

Traffic:—passengers, £360,737 0s. 9d.; carriages, horses, and dogs, £10,814 6s. 7d.	371,551 7 4
Mails, expresses, &c., £10,886 5s. 8d.; merchandise, £119,496 16s. 8d.; warehouse rent, £79 16s.; parcels, £19,025 16s. 8d.	521,040 2 4
The Bristol and Birmingham Company, for rent, &c., including dividends on Cheltenham and Gloucester tram-road	8,250 0 0
Interest on the cash balances of the revenue account during the half year	4,256 9 3
	£533,546 11 7
Deduct for loss by burglary in the Paddington station	821 6 4
	£532,725 5 3
Rent of cottages, &c., £1,460 4s. 8d.; registration fees, £269 10s.	1,729 14 8
	£534,454 19 11

Detail of Charges referred to in the REVENUE ACCOUNT.

ABSTRACT NO. 1.

Locomotive account:—enginemen and firemen, £8,581 2s. 9d.; waste, oil, tallow, and firewood, £3,088 17s. 2d.; labourers and cleaners, £4,533 13s. 1d.; cost of superintendence, including foremen, clerks, and office charges, £2,846 4s. 1d.; repairs of engines and tenders, comprising wages, materials, and every other expense, £23,112 6s. 8d.; coke and coal consumed by locomotive engines, £26,920 7s. 6d.; rates, taxes, lighting, and gas, £481 10s.: £69,564 1s. 3d.; deduct amount charged for locomotive powers to the South Devon and Bristol and Exeter Companies, £697 14s. 7d. £62,566 6 8

ABSTRACT, NO. 2.

Carrying accounts:—Guards, £4,079 14s. 6d.; police and inspectors, £10,798 15s. 11d.; porters, £14,146 11s. 2d.; clothing, £1,833 11s. 1d.; carriage and waggon repairs, £13,434 16s. 5d.; stores consumed, £4,802 11s. 9d.; stores disbursements, £699 6s. 9d.; carrying expenses, £2,370 13s. 4d.; horse account, including expenses of working the Weston-super-mare branch, £432 1; lighting and gas at stations, £1,769 16s. 11d. £54,367 18 10

ABSTRACT, NO. 3.

General charges:—Superintendents and clerks, £15,986 8s.: stationery account, disbursements, and tickets, £3,913 15s. 9d.; sundry office expenses, advertising, postages, &c., £366 6s. 9d.; travelling expenses, &c., £320 1s. 2d.; water at stations, £122 15s. 11d.; loss on light gold, £287 18s. 9d.; law charges, £471 17s. 1d.; medical expenses, £115 15s. 5d. £21,584 18 10

Account of Share Capital to 31st December, 1847.

Number of Shares.	Denomination.	Called.	Amount called on which Dividend is payable.	Uncalled.	Amount uncalled on 31st December, 1847.
	£	£	£	£	£
25,000	100	85 on each.	2,125,000	15 on each.	375,000
28,000	50	50 "	1,400,000	" "	" "
93,000	25	15 "	1,395,000	10 "	" 930,000
37,500	20	20 "	750,000	" "	" "
69,700	17	7 "	487,900	10 "	" 697,000
5	20	" "	" "	20 "	100
252,205			6,157,900	Uncalled .. Called ..	2,002,100 *6,157,900

Total Share Capital £8,160,000

N.B.—Dividend at $3\frac{1}{2}$ per cent. for the half-year on *£6,157,900 = £215,526 10s., would leave a balance of £41,792 12s. 3d. Ditto at 4 per cent. for the half-year on *£6,157,900 = £246,316, would leave a balance of £11,002 2s. 3d.

General Revenue Account, from the 1st July to the 31st December, 1847.

EXPENDITURE.

Dividend for the half-year, to 30th June, 1847	..	£230,046	0	0
Balance carried forward .. .. .	..	25,297	17	7
		£255,343	17	7

To the Bristol and Exeter Railway:—For half-year's fixed rent, from 14th June to 13th December, 1847, 35,978 <i>l.</i> 10s.; for tollage on 361,832 passengers, conveyed 11,059,229 miles, at $\frac{1}{4}$ <i>d.</i> per mile, 11,520 <i>l.</i> 7 <i>d.</i> , for tollage on goods, viz., 68,242 tons, conveyed 2,572,180 miles, at $\frac{1}{4}$ <i>d.</i> per ton per mile, 2,679 <i>l.</i> 7 <i>s.</i> 1 <i>d.</i>				
Balance of interest paid on loans	..	50,177	17	8
		41,812	19	0

		£291,990	16	8
Balance Disposable .. .. .	..	257,318	2	3
		£349,308	18	11

RECEIPTS.

Balance of former account	..	£255,343	17	7
Balance, as per last statement	..	25,297	17	7
Balance of the revenue account for the half-year ending 31st Dec., 1847	..	324,011	1	4
		£349,308	18	11

**APPENDIX, No. 1.—Comparative Statement of Passenger and Goods Traffic
for the Half-Years ending 31st December, 1845, 1846, and 1847.**

Half-year ending	PASSENGER TRAFFIC.					GOODS TRAFFIC.	
	Number of Passengers	Miles travelled.	Average number of Passengers per day.	Average number of Miles travelled by each Passenger.	Equal to the undermentioned number of Passengers travelling the whole distance per day.	Number of Tons conveyed.	Number of Miles conveyed.
31st December, 1845	1,411,504	47,936,473	7,671	34	1,081	151,212	9,258,909
" 1846	1,504,103	50,467,165	8,174	33½	1,110	175,188	10,447,679
" 1847	1,642,321	52,632,563	8,930½	32½	1,143	203,009	12,223,470

**APPENDIX, No. 2.—Comparative Mileage travelled by Locomotive Engines
for corresponding Half-Years, ending 31st December.**

	1844. No. of Miles.	1845. No. of Miles.	1846. No. of Miles.	1847. No. of Miles.
Engines with Passenger Trains	668,174..	901,020..	1,008,029..	1,116,138
Engines with Goods Trains	139,140..	189,592..	234,805..	238,472
Engines assisting trains, including banking on 3 lines and travelling empty..	110,943..	149,800..	103,507..	100,000
Total service performed	918,257..	1,240,412..	1,346,341..	1,454,610
	No. of Tons.	No. of Tons.	No. of Tons.	No. of Tons.
Coke consumed	15,602 ..	21,919 ..	19,731 ..	21,454
Average cost of Coke..... per ton	21s. 1½d..	21s. 0½d..	23s. 8½d..	24s. 4½d.

LONDON AND NORTH-WESTERN RAILWAY.

[HALF YEARLY MEETING, HELD 18TH FEBRUARY, 1848.]

STATEMENT OF THE CAPITAL ACCOUNT.

31st December, 1847.

	1st July to 31st Dec., 1847.			Total. 31st Dec.		
	£	s.	d.	£	s.	d.
EXPENDITURE.						
Stock in land and works, including stations, tunnels, bridges, permanent way, wharfs, warehouses, and all incidental charges	309,438	13	3	12,712,136	0	8
Carrying stock, viz., locomotive engines, carriages, wagons, &c.	162,881	14	11	1,493,363	1	8
Estate of the Company in lands and buildings, yielding rent	17,268	10	3	235,314	15	0
Total Main Lines	£489,588	18	5	£14,440,813	17	4
Subsidiary Lines open, viz. :—						
West London	432	10	8	48,334	19	6
Aylesbury .. ..	.....			56,474	8	7
Bedford and Bletchley	20,785	15	4	256,198	1	3
Northampton and Peterborough	12,063	19	5	720,801	5	0
Warwick and Leamington	12,217	17	10	162,178	15	6
Lancaster and Carlisle	15,172	19	8	477,341	7	6
Macclesfield	650	7	0	190,114	2	4
Trent Valley	72,064	2	1	1,647,906	6	6

REPORTS AND BALANCE SHEETS.

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Lines in course of construction, viz. :—				£	s.	d.	£	s.	d.
Chester and Holyhead	268,365	6	3	1,161,645	16	8
Rugby and Stamford .. .. .	..	..	..	145,387	1	1	313,214	14	7
Rugby and Leamington .. .. .	..	..	..	120,468	9	1	240,215	13	6
Donstable .. .. .	..	..	..	23,742	0	0	94,784	18	5
Birmingham, Wolverhampton, and Stour Valley .. .. .	..	..	..	51,625	0	0	124,019	3	10
Birmingham station extension .. .. .	..	..	..	99,600	0	0	188,690	6	6
Buckinghamshire .. .. .	..	..	..	.....			15,000	0	0
Shropshire Union .. .. .	..	..	..	60,093	13	9	101,732	11	11
Northampton and Banbury .. .. .	..	..	..	.....			2,316	2	2
Northern Counties Union .. .. .	..	..	..	126	5	0	10,230	13	0
Manchester and South Junction .. .. .	..	..	..	45,500	8	1	181,608	9	11
South Staffordshire .. .. .	..	..	..	15,021	12	10	40,930	18	10
Caledonian .. .. .	..	..	..	38,702	0	3	166,919	1	6
Birmingham and Litchfield .. .. .	..	..	..	.....			36,912	11	6
Leeds, Dewsbury, and Manchester .. .. .	..	..	..	666	12	0	5,149	9	6
Coventry and Nuneaton .. .. .	..	..	..	.....			2,982	6	9
Coventry, Nuneaton, and Leicester .. .. .	..	..	..	3,218	3	9	86,702	8	3
Newport and Wellingborough .. .. .	..	..	..	700	0	0	700	0	0
East and West India Docks .. .. .	..	..	..	40,000	0	0	121,173	2	11
St. Alban's .. .. .	..	..	..	5,688	7	6	6,211	14	0
Bollington Branch .. .. .	..	..	..	.....			478	19	5
Liverpool extension .. .. .	..	..	..	138,678	18	5	374,099	15	6
Manchester and Buxton .. .. .	..	..	..	8,550	3	0	31,138	14	9
Ashton branch .. .. .	..	..	..	16,446	1	7	82,349	17	0
Parliamentary proceedings—branch lines .. .. .	..	..	..	.....			114,985	0	6

Repaid for branch lines	£1,705,409	10	0
.. .. .	202,522	11	8

	£1,502,886	18	4	£21,513,353	15	5
Balance .. .. .	..	..	..	369,447	19	11
				£21,882,801	15	4

<i>Receipts.</i>				1st January to 31st December 1847.			Total to 31st Dec.		
				£	s.	d.	£	s.	d.
Consolidated Stock	..	..	..	10,181	13	1	9,191,091	12	2
£25 shares, London and Birmingham	..	..	..	473,958	14	7	838,959	11	10
£20 do. do.	..	..	..	208	16	7	136,956	14	0
£40 do. Grand Junction	..	..	..	54,975	13	2	173,342	8	2
£25 do. do.	..	..	..	229,921	17	11	563,258	6	6
£40 do. Manchester and Birmingham	..	..	..	651	1	10	1,195,981	1	10
£10 A do. do.	..	..	..	52,940	17	1	200,316	8	11
£10 B do. do.	..	..	..	100,408	17	11	396,986	9	6
£10 C do. do.	..	..	..	51	0	0	68,021	0	0
£25 do. New	..	..	..	229	17	5	326,253	18	10
				£923,528	9	7	£13,091,067	12	0
Calls in advance	..	..	..	66,008	0	0	186,160	3	4
Loans on debentures	..	..	..	604,765	14	3	8,605,574	0	0
				£1,594,302	3	10	£21,882,801	15	4

STATEMENT OF THE REVENUE ACCOUNT.

Half-year ending 31st December, 1847.

<i>Expenditure.</i>				£	s.	d.
Maintenance of way and stations .. .. .	..	..	..	44,146	9	2
Locomotive power : Wages of engineers, engine men, firemen, repairs, cost of material and coke .. .. .	..	..	..	124,473	7	11
Coach traffic charges: Salaries, wages, stationery, tickets, and carriage repairs .. .. .	..	..	..	88,272	6	2
Police charges .. .. .	..	..	..	19,313	17	3
Merchandise traffic charges: Salaries, wages, stationery, repairs of wagons, and Sundries	78,594	9	7

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	£	s.	d.
Stores department charges	1,144	14	9
Compensation for accidents and losses	5,669	19	1
General charges: Including Secretaries, Accountants, Audit, and Manager's Department, clearing house, and other expenses not classed	16,338	11	10
Schools at Wolverton and Crewe	627	11	9
Total working charges	£378,771	7	6
Parish rates and taxes, £30,296 15s. 7d.; duty on passenger traffic, £27,963 15s. 5d.	58,260	11	0
Interest on loans	75,197	18	9
Balance carried down	647,865	14	7
	£1,160,085	11	10

Receipts.

Traffic, viz.: Passengers, £652,392 15s. 9d.; mails, £21,442 8s. 6d.; horses, carriages, and dogs, £17,666 16s. 9d.; parcels, £56,050 0s. 2d.	747,552	1	2
Merchandise, (gross receipt, £389,073 3s. 5d.; less expense of collection and delivery, £71,603 14s. 5d.), £317,469 9s.; live stock, £38,916 7s. 7d.; coal, £26,201 2s. 4d.	382,567	18	11
Total traffic	£1,130,129	0	1
Interest on cash balances	14,517	8	3
Rents of land and buildings, £9,595 12s. 8d. (less repairs and sundries £1,177 5s. 6d., chief rents, £2,184 3s. 8d.), £3,361 9s. 2d.	6,234	3	6
Dividend from Lancaster and Carlisle Railway Company	9,205	0	0
	£1,160,085	11	10
Balance brought down, £647,865 14s. 7d.; (less, for renewal of rails, £10,000; locomotive engines and carriages, £30,462 18s.)	£607,392	16	7

GENERAL BALANCE SHEET, 31st December, 1847.

	£	s.	d.
Balance of capital account	369,447	19	11
Disposable balance, 30th of June last	636,681	4	5
Less dividend ordered, 13th Aug. last	629,654	2	6
	£7,027	1	11
To balance of revenue account as above	607,392	16	7
Disposable balance	614,419	18	6
	£983,867	18	5
Or.			
Balance of store accounts	155,552	18	11
Balance of outstanding accounts	163,446	19	5
Balance in hand	664,868	0	1
	£983,867	18	5

NORTHERN COUNTIES UNION RAILWAY.

[Half-Yearly Meeting, 17th Feb., 1848.]

	£	s.	d.
<i>Receipts.</i>			
Amount received as per balance sheet, 31st July, 1847	194,618	12	10
Payment on account of calls since last balance sheet	3,321	10	0
Interest and dividends on 3½ per cent. annuities	2,049	2	10

Expenditure.

	£	s.	d.
<i>Expenditure.</i>			
Total Expenditure from 25th Aug., 1846, to 27th Jan., 1848.	£199,989	5	8
Expenditure prior to the Act of Incorporation, as per balance-sheet, to 31st July last	88,927	10	0

REPORTS AND BALANCE SHEETS.

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	Payment from 31st July, 1847, to 27th Jan. 1848.					
	£	s.	d.	£	s.	d.
Loss on sale of stock						284 11 0
Engineering and surveying	1,150	0	0	3,370	8	8
Travelling	308	12	3	1,261	15	9
Directors' remuneration	500	0	0	1,600	0	0
Auditors' ditto	20	0	0	60	0	0
Secretary's and clerks' salaries	548	6	6	1,701	17	9
Postages and stationery	263	2	9	1,118	18	2
Rent, taxes, and miscellaneous expenses	114	5	5	399	16	0
Advertising	44	16	9	768	13	3
Land purchases and works	7,012	8	5	8,682	0	11
Law charges	184	10	9	184	10	9
Interest on calls	2,707	14	0	2,707	14	0
Cash invested in 3½ per cent annuities, at 97½	28,633	5	3			
Ditto in the Commercial Bank	31,495	13	2			
Ditto in the hands of Messrs. Wakefield, Crewdson, & Co.	23,957	18	3			
Ditto in the Swaledale and Wensleydale Banking Company	4,370	9	2			
Ditto in the London Joint Stock Bank	500	0	0			
Ditto in the hands of the Secretary	64	3	7			
Total Balance				89,021	9	5
				£199,989	5	8

TAW VALE RAILWAY AND EXETER AND CREDITON RAILWAY.

[Half-yearly Meeting, 13th Feb., 1843.]

Statement of Receipts and Expenditure to 31st Dec., 1847.

	Receipts.					
	£	s.	d.	£	s.	d.
Amount of 750 shares of £20, as provided by Act 9 and 10 Vic. cap. ccclv.	15,000	0	0			
Amount received for deposit on 22,040 shares, at £2 per share.	44,080	0	0			
Amount received on the first instalment of first call, on 20,650 shares, at £1 per share, £20,650; amount received on the second instalment of first call on 19,610 shares, at £1 per share, £19,610	40,260	0	0			
Amount received in advance of calls	14,520	0	0			
Amount received for certificates of registration and transfer fees	43	10	0			
Amount received for interest on calls	61	2	1			
Amount received for rent	3	0	0			
Amount received, loan	5,000	0	0			
Amount received—Profit on sale of £15,000 Exchequer Bills	221	15	2			
	£119,189	7	3			
	Expenditure.			Total to 31st Dec., 1847.		
	£	s.	d.	£	s.	d.
Parliamentary and law expenses, including referencing, expenses of witnesses, &c.	978	9	3	12,530	5	6
Engineering and surveying	1,464	3	8	7,526	18	0
Advertising, printing, and stationery.	64	10	0	1,475	5	4
Rent of offices, and furniture	60	0	0	527	17	6
Salaries, office, travelling, and miscellaneous expenses, &c.	232	3	6	1,451	9	4
Direction	450	0	0	2,250	0	0
Auditors	20	0	0	20	0	0
Rates and taxes	15	3	5	15	3	5
Interest paid to bankers	42	0	1	42	0	1
Interest paid to proprietors	4,380	17	1	4,380	17	1
Purchase of docks and land for line of railway from Fremington Pill to Barnstaple, and expenses of two Acts of Parliament				15,000	0	0
Purchase of land and compensation for damages	3,634	5	0	10,865	2	10
Construction of works	20,947	18	10	50,728	18	5
Permanent way	3,788	5	5	10,746	3	4
	£36,077	16	3	£117,559	18	10
Balance in hand				1,629	8	5
				£119,189	7	3

EXETER AND CREDITON.

[Half-Yearly Meeting, 17th Feb., 1848.]

The statement of Accounts appended to the Report showed the total Receipts to have been 93,797 2s. 4d., and the Expenditure 88,621 9s., leaving a balance of 5,175 13s. 4d. in favour of the Company, 5,000 of which has been advanced on loan to the Taw Vale Company.

CORK AND BANDON RAILWAY.

[Half-yearly Meeting held at Cork, on 3rd February.]

GENERAL STATEMENT OF RECEIPTS AND EXPENDITURE.

From the commencement of the undertaking in Oct., 1844, to 31st Dec., 1847 (inclusive).

<i>Receipts.</i>		£	s.	d.
Amount received on deposits and calls	..	76,697	10	0
Calls paid in anticipation	..	180	0	0
Interest received on calls and bank account	..	699	4	7
Miscellaneous Receipts	..	53	3	2
		£77,629 17 9		

<i>Expenditure.</i>		£	s.	d.
Cost of Act of Incorporation, No. 1	..	7,507	2	0
Paid on account of Act of Incorporation, No. 2	..	1,085	15	1
Law expenses, subsequent to incorporation	..	1,121	14	8
Engineering ditto ditto	..	2,619	3	1
Works	..	32,652	16	5
Rails, sleepers, wheels, and axles, and other stock	..	17,365	10	2
Land and compensation, and valuation account	..	9,686	7	0
Deputations	..	167	15	11
Printing, advertising, and stationery	..	384	13	10
Salaries, office charges, and furniture	..	1,104	0	0
Rent, rates, and taxes	..	166	0	6
Contingent and miscellaneous expenses	..	471	0	8
Remuneration and audit account	..	550	0	0
Interest to Bankers	..	59	7	0
Interest to Shareholders	..	764	16	1
Stamps	..	5	0	0
Balance, cash in Provincial Bank this day	..	1,918	14	6
		£77,629 17 9		

WILSONTOWN, MORNINGSIDE, AND COLTNSH RAILWAY.

[Annual Meeting, held 11th February.]

<i>Expenditure.</i>		£	s.	d.
Cash in Royal Bank, £931 6d.; less dividends, not called for, £207 2d.	..	724	0	4
Outstanding revenue	..	209	3	2
		£933 3 6		

<i>Receipts.</i>		£	s.	d.
Surplus or rest, at 30th June, 1847	..	101	3	1
Profits for half-year ending 31st Dec.	..	832	0	5
		£933 3 6		

BALANCE SHEET OF THE CAPITAL ACCOUNT, AS AT 31st DEC., 1847.

<i>Expenditure.</i>		£	s.	d.
Amount expended, per last published statement	..	104,806	15	1
Amount since expended	..	21,001	13	8
		£125,807 8 9		
Amount received, per last published statement	..	66,593	16	7

Receipts for year ending 31st Dec., 1847, viz.:—On account of old stock, £3,715; first call on new stock, £6,690; second call on ditto, £5,785; third call on ditto, £10	£	s.	d.
Balance due Royal Bank	16,200	0	0
	43,013	12	2
	<u>£125,807</u>	<u>8</u>	<u>9</u>

STATEMENT OF THE DEBTS AND LIABILITIES OF THE COMPANY

AT 31st Dec., 1847.

	£	s.	d.
Balance of debt due Royal Bank, as in preceding statement	43,013	12	2
Outstanding accounts chargeable on Capital, viz.:—Works under contract:—main line, £1,580 15s. 8d.; Shotts branch, £1,132 7d.; Bathgate branch, £19,121 7s. 1d.: £21,834 4s. 2d.: locomotive engines, £2,200; land and compensation, Bathgate branch, £2,824 13s. 10d.; miscellaneous (exclusive of balance of expenses of Parliamentary business), say, £1,050 1s.	27,908	18	0
	<u>£70,922</u>	<u>10</u>	<u>2</u>

NEWRY, WARRENPOINT, AND ROSTREVOR RAILWAY.

[Half-yearly Meeting held 18th Feb.]

BALANCE SHEET TO FEB. 1st, 1848.

	From August, 1847, to 1st Feb., 1848.		Total.	
	£	s.	d.	£ s. d.
Capital Stock.				
Deposit of £2 per share on 5,000 shares	10,000 0 0
First Call of £3 per share on 4,225 shares	..	210	0 0	12,885 0 0
Second Call of £5 per share on 3,810	300	0 0	19,350 0 0
Third Call of £2 10s. per share on 2,085	5,212	10 0	5,212 10 0
Fourth Call of £2 10s. per share on 657½	1,643	15 0	1,643 15 0
Cash in anticipation of Calls	487	10 0	487 10 0
Transfer fees	2	5 0	25 15 0
Interest	394	7 9	394 7 9
				<u>£49,998 17 9</u>

	From August, 1847, to 1st Feb., 1848.		Total.	
	£	s.	d.	£ s. d.
<i>Payments.</i>				
Parliamentary and legal expenses	540	3 3	4,518 9 2
Engineering expenses	1,768 10 6
Witnesses' expenses, and traffic taking	24	14 0	2,291 16 8
Advertising	25	11 9	456 12 8
Stationery, printing, and cost of share certificates	36	15 4	232 5 7
Salaries	202	10 0	979 0 4
Preliminary and other expenses, including £3,034 8d. paid to the Great County Down Railway Company, pursuant to agreement	3,034	0 8	3,498 9 0
Rent of offices	37	10 0	265 14 11
Direction and Auditors	271	0 0	771 0 0
Travelling expenses	1	2 6	140 17 6
Commission paid to country bankers	4	3 11	38 12 2
Interest	857	3 8	1,368 4 0
Office furniture and miscellaneous expenses	73	4 1	228 4 2
Land and compensation	1,284	8 1	
Payments on account of contract	10,000	0 0	32,205 17 7
Ditto on account of timber	3,306	6 6	
Ditto on account of iron rails	88	0 0	
Cash in Bankers' hands	1,245 3 10
				<u>£49,998 17 9</u>

It was stated, that the sooner the Shareholders paid up their calls, the sooner the line would be opened; but that the traffic was not expected to be developed until the line in connexion with it were completed and in operation. That out of £52,500 called up, there remained £15,163 in arrear.

COCKERMOUTH AND WORKINGTON RAILWAY.

[Half-yearly Meeting held on 28th January.]

During the half-year, upwards of 44,000 passengers have been conveyed over the line. The statement of receipts and expenditure on Capital and Revenue Accounts, exhibits a balance in favour of the latter amounting to £687 15s. 3d.; which, added to £163 7s. 2d., the balance of last half-year, give a total of £841 2s. 6d. available for the purposes of a dividend.

The Capital Account showed that the receipts on the five calls, up to December 31st., 1847, were £72,870; the amount borrowed on mortgage debentures, £26,666; transfer fees, £3 5s.; and rents, £18 17s., giving a total of £99,558 2s. The total disbursements were £109,867 2s. 1d.; showing a balance, on the Capital Account, of £10,299 0s. 1d. against the Company. The Revenue Account to the 30th June last, shows a balance in that department of £163 7s. 2d. in favour of the Company.

Communications

To the Editor of the Bankers' Magazine.

TEMPORARY SUSPENSION DURING THE PANIC—MESSRS. CHAS. SUTHERLAND AND CO.

24, Mincing-lane, London,
10th Feb., 1848.

SIR—In an article entitled, "A Chronological History of the Panic," with a "List of Firms which have Suspended Payment," we observe our name appears, without any remark appended, to say that our suspension continued only three days, when we resumed business as usual, our creditors being perfectly satisfied with our conduct, and of our ability to pay all their claims in full, with interest. As you may not be aware of these facts, we think it right to inform you of them; and should feel obliged by your noticing them in your next number.

With much respect, we are, &c.,

CHAS. SUTHERLAND AND CO.

[We regret we omitted to notice the fact stated above; and also that Messrs. Sutherland unfortunately were not the only firm obliged to suspend temporarily, while possessing abundant means, when realized, even at a sacrifice, to pay 40s. in the pound to their creditors.—Ed. B. M.]

THE FIXED PRICE OF GOLD.

THE question whether GOLD has a fixed price in this country, appears, since the publication of Mr. Cobden's Letter, which we gave in our last No., to have excited considerable interest. The following reply to Mr. Cobden, which appears in *Aris Birmingham Gazette*, by Mr. Edmund Taunton, contains a fair summary of the arguments of those who maintain that Gold has a fixed price, and that it ought not to continue. He says:—

"In your letter of the 21st of December, 1847, you are pleased to write thus—"I am sure you will see a fallacy in the idea that the price of gold is fixed at all in this country."

I protest against your assumed fallacy:—

1.—If gold is not at a fixed price, why have you given credit in your ledger for one pound sterling for every sovereign you have been paid in England?

2.—If gold is not at a fixed price, why did Sir Robert Peel inform the Parliament on the 7th of May, 1844, that the simple reason why gold was at £3 17s. 10½d. per oz., was its relation to silver at 5s. 2d. of Elizabeth?

3.—If gold is not at a fixed price, why did Sir Robert Peel ridicule the Hon. Member, Urquhart, on the 3rd of December last, because he wished gold should go at the market price, and call a fluctuating standard a "contradiction of terms?"

4.—If gold is not at a fixed price, why does the Bank of England give only £3 17s. 9d. per oz. for it, keeping 1½ for coinage?

5.—If gold is not at a fixed price, how did the Bullion Committee, in 1810, fix the price of £3 17s. 10½d. per oz.

Again, you state—"The question is, whether the Corn should be subjected to an invariable measure of quantity. For this purpose the law has fixed upon the imperial bushel, which contains a fixed invariable quantity—and in the case of gold it has done no more than fix in coin the weight and fineness of gold."—Oh, Oh, Oh! no more!

I again protest against your assumption; it has done double as much—for it has not only fixed weight and fineness but fixed price, though it has not fixed its value, through ignorance or design.

Query, 1.—Does the imperial bushel perform the same functions and duty now as when first legalized? I say, yes.

2.—Does the standard yard perform the same duty and functions now as when first legalized? I say, yes.

3.—Does the standard ton weight perform the same duty and functions now as when first legalized? I say, yes.

4.—Does your standard price of gold, of fixed weight and fineness, perform the same duties and functions, and possess the same purchasing powers now as when first legalized? I reply, certainly not.

Then what becomes of your simile? Has the law done no more than fix the weight and fineness? Then why does it not perform the duty it originally was destined to do when first legalized?

Let us examine the causes of this difference, step by step—

1.—The standard bushel is a fixed quantity. 2.—The standard yard is a fixed length. 3.—The standard ton is a fixed weight.

But neither of these standards fix the price or the value of the articles they measure. So here arises another variance from your standard of value.

Again, if I were to export or import ten millions of standard bushels, yards, or tons, this would have no effect on their standard powers of measurement. Thus they vary again from your simile; for, if I were to export or import ten millions of sovereigns it would affect the value of our circulation from 10 to 15 per cent., as has been repeatedly proved since 1810, ruining tens of thousands, for it would alter value but not your price. What was a standard of value created for? To have a fixed price to rule the value of other things. How was a standard of value created? By selecting an article of a certain weight and purity at the price of that day, that corresponded at that day with labour, food, and population. Then, if any of those proportions were altered afterwards, could that standard of value be any longer just? Certainly not. And the only way to do justice, if those proportions could not be kept up, would be to adhere to the fixed weight and purity, and let it pass at market or Exchange price.

Sir Robert Peel's infatuation, or obstinacy, does not allow him to see this gross wickedness and oppression of the poor man's labour. Labour has as much right to depreciate the standard as the standard has to depreciate labour; and a wise, just, and honest statesman would have taken care to have kept the balance properly and equally poised.

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—*Ed. B.M.*]

BIRMINGHAM BANKING COMPANY.

At the Annual General Meeting, held the 23rd February, 1848, Charles Shaw, Esq., one of the directors, in the chair, the following report was presented by the directors:—

“Scarcely has there been a more eventful and arduous year in the experience of the present generation, than that upon the business of which the directors now make their eighteenth annual report of the company. The great deficiency in the production of home-grown food in two consecutive seasons, rendered necessary such large importations from distant ports, at high prices, as early in last year threatened to disturb the exchanges and unsettle monetary affairs generally. What, therefore, was significantly indicated in the last report, and which at the time might be thought premature, has been to multitudes a terrible reality.

“But, besides the necessary effects of this visitation of Providence, extending to the continent of Europe generally as well as to these countries, other causes were in active operation, tending to make the late crisis one of unexampled severity. In the department of commerce, such had been the egregious departure from sound principles, numerous firms, once of first rate reputation and credit, were involved in ruin; and the wide-spread effects of these failures in town and country, at home and abroad, threatened mercantile credit with such a rude shock as might unsettle the whole system.

“Moreover, the course of imprudence was not confined to the mercantile class; but the occasions presented by the recent prodigious undertakings sanctioned by parliament, incited almost all classes to attempt to make unusual gains out of the regular course of business, to come under imprudent engagements, to trench on their business capital, and, in many cases, to place themselves in a position which ultimately involved sacrifices which will be long and painfully remembered.

“As a necessary consequence of these circumstances came an adverse state of the exchanges, a rapid export of bullion, and a pressure on the money market, which, for duration and intensity, exceeded every other similar occurrence; and, if the crisis had not been met by extraordinary means, and at that particular juncture, there cannot be a doubt, however lightly it may now be treated when the danger is perhaps over, that the consequences would have been most disastrous. Whatever, therefore, may be the opinion of the Bill of 1844 in other respects, it is manifest that, without the addition of some auxiliary principle, which, on the whole, would mitigate its severity without impairing its efficiency, it is a dangerous instrument in a community where a system of credit necessarily prevails to such an extent, and where something like fifty millions per annum are required to be raised in taxes. In its present shape, it is obvious that this Act will not bear the test of two consecutive bad seasons, without placing in jeopardy every department of trade and commerce, deteriorating the condition of the labouring classes, and causing such a defalcation in the revenue, as to make additional taxation inevitable.

“With this introduction to the principal object of the Report, the Directors proceed to state to the Proprietors the result of another year’s transactions. The amount of net business profits of the year 1847, that is, after deducting an adequate sum for bad and doubtful debts, and all current expenses, is

£39,955 10s. 6d., which, added to to the balance of £1,316 16s. 9d., brought forward from 1846, makes a total of £41,272 16s. 3d. From the profits of the first half-year, the Directors felt authorized to pay in full a dividend of 10s., and a bonus of 5s. per share, in September last; and they now recommend the Proprietors to declare a dividend of 10s. per share, or at the rate of 10 per cent. per annum, and a bonus of 5s. per share, clear of the Income Tax; and to authorize the transfer of £10,000 to the guarantee fund, thereby increasing that fund to £60,000, and the further transfer of the residue, £1,272 16s. 3d., to the account of the current year.

"The following Statement of Account is in conformity with the payments ordered by the Board in September, and the recommendation contained in this Report.

	£	s.	d.
Balance brought from the account of 1846	1,316	16	9
Net business profits of 1847	39,955	19	6
	<hr/>		
	£41,272	16	3
Sept. dividend of 10s. per share, or at the rate of 10 per cent.	£10,000	0	0
Ditto, bonus of 5s. per share	5,000	0	0
Dividend of 10s. per share, payable 1st March next	10,000	0	0
Bonus of 5s. per share, ditto	5,000	0	0
Transfer to guarantee fund, to increase it to £60,000	10,000	0	0
	<hr/>		
	40,000	0	0
	<hr/>		
Balance to be carried forward	£1,272	16	3
	<hr/>		

[A report of the resolutions passed at the meeting will be found in our advertising sheet.]

CARLISLE CITY AND DISTRICT BANK.

The Eleventh Annual General Meeting of this Company was held on the 8th February, 1848, when the following Report of the Directors was submitted to the Shareholders, and unanimously adopted:—

"At the Eleventh Annual General Meeting of the Carlisle City and District Banking Company, the directors have much pleasure in being able to report to the shareholders, that the business of the Bank has greatly increased during the past year, the profits having exceeded those of any previous year, by £1 11s. 3½d. per cent.

"The Balance Sheets now produced, made up respectively to the 30th of June and 31st December, 1847, show that the net business profits during the year amount to £8,885 12s. 5d., being at the rate of £15 6s. 4½d. per cent. on the paid-up capital of £58,000; those of the last half-year, amounting to £4,716 10s. 1d., being at the rate of £16 5s. 3½d. per cent. per annum.

"The two bad debts reported in June have been written off during the year, amounting to £213 6s. 9d., the one then estimated at £250 having resulted in a loss of £191 6s. 6d., the securities having been realized.

"The directors recommend a dividend at the rate of £10 per cent. per annum for the past half-year, amounting to £2,900; and that £1,816 10s. 1d. the remaining profits of the half-year, together with £16 16s. 7d., from the *Auxiliary Fund*, be added to the *Guarantee Fund*, thereby completing it to one-third the amount of the paid-up capital, or £19,333 6s. 8d., according to the resolution passed by the shareholders at the last general meeting; after

REPORTS OF JOINT STOCK BANKS.

which, and the payment of the income tax, the yearly account now produced will show that the *Auxiliary Fund* stands creditor this day £62 17s. 5d.

"Messrs. James Thompson and William Stordy, Carlisle Directors, and Mr. John Wilson Fletcher, Cockermouth Director, retire from office in accordance with clause eight in the Deed of Settlement.

"The Directors have sincere pleasure in bearing testimony to the continued zeal, ability, and integrity, of Mr. Alexander Davidson, and the Officers of the Bank.

"After a careful examination of the affairs in Carlisle and Cockermouth with the Manager, the directors feel happy in being able to congratulate the shareholders, that they have no cause to anticipate loss on any account or bill held by the Bank; that no bad debt has been sustained on any account opened since March, 1843; and that during a year unexampled in English history, from the occurrence of two monetary pressures of extreme severity, accompanied by panic, causing the suspension and ruin of many commercial firms and banks, with aggregate liabilities exceeding thirty millions sterling,—the resources of the Bank have been so ample and so readily available as to afford every accommodation that could be beneficial to the customers, and at the same time ensure the stability and prosperity of the Bank."

The Report of the Auditors, confirming the Balance Sheets, was also read and adopted.

A dividend, at the rate of £10 per cent. per annum, was declared for the last half-year, payable on the 17th instant.

The retiring directors were unanimously re-elected.

The following gentlemen were appointed auditors for the ensuing year, viz.:—Mr. George Relph, Mr. Edward G. Castle, and Mr. Robt. Graham.

A Committee, consisting of Mr. James Steel, Mr. Edward G. Castle, and Mr. John Brown, on the part of the Shareholders, and Mr. James Heysham, and Mr. Thomas Lonsdale, on the part of the directors—along with the Manager—was appointed to carry out a resolution for securing extended Bank premises.

PROFIT ACCOUNT DURING THE EXISTENCE OF THE BANK.

	Amount.	Or, on every £100 capital.	Or, on every Share of £12 10s.
	£ s. d.	£ s. d.	£ s. d.
Paid in dividends, from 1837 to Dec., 1846	47,533 14 0	86 0 0	10 10 0
Do. for the year ending 31st Dec., 1847..	5,800 0 0	10 0 0	1 5 0
Do. during 10 years and 10 months	53,333 14 0	96 0 0	11 15 0
Profits in <i>Guarantee</i> and <i>Auxiliary Funds</i> :	19,396 4 1	33 8 10	4 3 7½
Net profits in 10 years and 10 months ..	72,729 18 1	129 8 10	15 18 7½
Average yearly profits during this period .	6,611 16 2	11 15 4	1 8 11½
BAD DEBT ACCOUNT.			
Amounts between 1st March, 1837, and 31st December, 1846	6,110 9 11	10 10 8½	1 6 4
Written off in the year ending 31st Dec., 1847	213 6 1	0 7 4	0 0 11
Total loss during 10 years and 10 months	6,323 16 0	10 18 0¼	1 7 3
Average yearly loss during this period ..	574 17 10½	0 19 10	0 2 5¼
CAPITAL ACCOUNT.			
Paid-up capital, 8th February, 1848	58,000 0 0	.. ..	12 10 0
Guarantee and auxiliary fund	19,396 4 1	.. ..	4 3 7½
£	77,396 4 1	.. ..	16 13 7½

TIPPERARY JOINT STOCK BANK.

At the General Annual Meeting of shareholders of this Bank, held at Clonmel, on 8th February, the following Report was presented :—"At the Ninth General Annual Meeting of the Tipperary Joint Stock Bank the directors beg to lay before the shareholders the following Report for the year ending 31st December, 1847. On a careful examination of the affairs of the Bank, after deducting all charges of management and bad debts, making ample allowance for any debts that may be considered doubtful, and for the payment of a dividend of six per cent. for the year, there remains a sum of £6,136 2s. 9d., to be added to the reserve fund.

"It need hardly be mentioned that the past year has been one of unexampled difficulty, and it can scarcely be supposed that in passing through the late panic, any bank would be expected to escape without loss. The directors, however, are happy in being able to say that, without withdrawing from their customers any reasonable facility required for the conducting of their business, not a single loss has been sustained by the failure of any of the large mercantile firms connected with the trade of this country. The directors deem the Bank peculiarly fortunate in this respect, and feel assured the shareholders will concur therein, when they are made aware that an amount of mercantile bills drawn on English and Scotch houses or Dublin factors has been discounted by the Bank during the year exceeding a million sterling, without a single bill remaining unpaid.

"It will be necessary for the shareholders to elect one of their number as a director, in the room of the late James Scully, Esq."

It was then resolved unanimously,—“That a dividend at the rate of 6 per cent. per annum be declared for the half-year, ending 31st December, 1847; that Vincent Scully, Esq., be elected director, in the room of the late James Scully, Esq.; and that the best thanks of the proprietors are due to the directors for their satisfactory management of the affairs of the Bank during the past year.”

BANK OF FRANCE.

At the Annual General Meeting of the shareholders of this establishment, Count d'Argout, the governor, presented the report of the council-general, the principal details of which we subjoin. The meeting re-elected M. Odier censor for three years, and Baron Hottinguer and Count Pillet-Will regents for five years; it also elected regent for five years M. F. Delessert, in place of Baron B. Delessert, deceased. The following are the principal points of the Report.

Three circumstances had marked the operations of 1846—1st, The unusual increase in the operations of the Bank, which had for the first time risen to 1,726 millions; 2nd, the diminution in the metallic reserve, which from July 1st to the end of the year had fallen from 252 millions to 80, showing a decline of 172 millions; and 3rd., after an interval of twenty-seven years, the rate of discount had been raised from 4 to 5 per cent. But the operations of 1847 had even exceeded those of 1846, having reached a sum of 1,854 millions; the reserves of the bank at Paris and of the branch banks, again advanced from 80 millions to 181 millions. On the date of the report, namely, January 27, 1848, the amount was 189 millions; the rate of discount was again reduced to 4 per cent. on December 27, 1847. The object of the proceeding of raising the interest to 5 per cent. was to check the exit from the kingdom of specie,

and it had fully answered the intended purpose, as the Bank was not obliged to have recourse to any more rigorous course: it had neither restricted the number of its discounts, nor been more severe in its judgment of the bills which it consented to receive; the cases of rejection were not more numerous than usual.

The Report then alludes to the loan of one million sterling made to the Bank by English capitalists, towards the end of 1846; the average duration of the loan was 108 days, and the cost of transport, the exchange, and the other expences, amounted to 800,209*f.*, or about 3-13 per cent. on the operation.

It then speaks of the Russian purchase of Rentes. The offer to that effect was made on March 16. This operation presented itself under a double point of view; the council-general having been strongly solicited to sell in the market a part of the Rentes of the Bank, had formally refused. On March 16, the reserve of 80 millions had increased to 110 millions, and a movement of reflux of specie from the departments to Paris had already manifested itself. The sale to Russia held out to the Bank only an aid which had become useless; besides the periods of payment, augmented by the time required for causing the specie collected at St. Petersburg to be brought to Paris, necessarily threw back to an indeterminate period the realization of the operation. In fine, the sale was sure to deprive, for a certain period, the shareholders of a revenue of upwards of two millions, which they had been in the enjoyment of for a great number of years.

On the other hand Russia had delivered to France large quantities of corn, which were to be paid for in specie. When the navigation was resumed, France was, therefore, threatened with a new exportation of specie. To accept the offer made, was to pay Russia, by means of an inscription of Rente, fifty millions for grain furnished. The sale of the Rentes of the Bank was consequently commanded by the general interests of the country.

The Council, therefore, did not hesitate to ratify the treaty, and handed over to the imperial treasury of Russia two millions of Five per Cent. Rente, at 115*f.* 75*c.*, which made a sum of 46,300,000*f.*
and 142,000*f.* of Three per Cents., at 77*f.* 65*c.*, representing 3,689,633*f.* 33*c.*

Total 49,989,633*f.* 33*c.*

After having provided for the public interest by the alienation of these 2,142,000*f.* of Rente, the council-general anxiously looked out for an opportunity to reconstitute to the shareholders the sum thus alienated, and soon found what it sought on November 10, by taking part to the extent of 25 millions in the government loan. That operation brought it in 996,677*f.* in the Three per Cents., at the rate of 75*f.* 25*c.* The example thus given not a little contributed to the success of the loan; and in serving its own interests, it forwarded those of the state.

A second occasion afterwards presented itself; for a heavy fall having taken place in the public funds, the council-general effected a purchase of 300,000*f.* Three per Cents at the rate of 73*f.* 81*c.* Such were the exceptional operations of the year.

The operations effected at Paris during the year 1846, had amounted to 1,294 millions; in 1847 they had risen to 1,372 millions, or 80 additional. The discount of commercial bills in 1847 had augmented in amount 138 millions, and in produce 2,416,000*f.* The advances on Rente had diminished 19,879,000*f.*, but the produce was not lower, the interest having been higher, and the average duration of the advances longer.

The advances on ingots had diminished in amount 45,584,000*f.*, and in produce 34,000*f.* The advances were effected usually at one per cent., but that small interest had the effect of causing to be replaced by ingots and foreign money, which the Bank could not dispose of, the specie taken from the reserve in order to be sent abroad; an interest of 5 per cent. applied to these advances soon stopped the evil, and of late the interest was reduced to 2 per cent. The other operations of the central Bank differed by feeble variations.

Seven hundred and one millions were discounted by the central Bank during the first half-year of 1847, and 626 millions during the second. Compared with 1846, the augmentation for the first period was 102 millions, and for the second 26. The month of July presented the greatest amount of discount—upwards of 130 millions.

The number of bills discounted was 926,390 in 1846, and 963,324 in 1847, giving an increase of 36,934; the average amount has increased from 1,285*f.* to 1,380*f.*, and the average length of time to run from 45 9-10 days to 46.

The average of the rest had increased from 151 millions to 176, being an augmentation in favour of 1847 of 25 millions. The average of accounts current had declined from 60 millions to 50. The average of the account-current with the Treasury had diminished from 103 millions to 58. The average circulation of notes had fallen from 260 millions to 240. The maximum of the circulation, in 1846, had been 311 millions, and that of 1847, 258 millions.

The minimum of the rest of the central Bank had fallen to 57 millions on January 15, 1847, and on December 24th it had risen to 107 millions; the average was 80 millions, whilst that of 1846 was 171 millions.

The general movement of notes, specie, and transfers, had fallen to 14,214 millions, or 654 millions less than in 1846. The bills not taken up in 1847 had amounted to a sum of 50,894*f.*, and in the course of the year 43,907*f.* had been recovered out of that amount, and 7,260*f.* of former bills, making in all 51,230*f.*

The ordinary expenses amounted to 1, 208,889*f.*, or 15,000*f.* less than the year before; but to the ordinary expenses of 1847 were to be added extraordinary ones amounting to 592,270*f.* for repairs of buildings; new paper for 200*f.* notes. The new notes of 200*f.* were much approved of by the public.

The account given of the branch banks is most satisfactory, the expenses being represented as diminishing and the produce on the increase. In 1846 the operations of the Bank of France with country banks had been 59,400,000*f.* and in 1847 only 37,500,000*f.*; the business with its own branch banks increasing in at least an equal proportion.

The total amount of bills discounted in Paris in 1847, and money advanced on securities or Rentes, was—1,357,163,272*f.*, which produced 9,191,993*f.*; and the branch banks had on their side discounted to the amount of 206,076,848*f.* in bills on Paris, and 272,698,736*f.* on the towns in which they are situated, producing a sum of 13,228,860*f.* in place of the former produce of 9,690,815*f.*

The general business of the central Bank is stated to have greatly increased, and the dividends to have risen for 1847 to 177*f.* 84*c.* for the first half-year, and 93*f.* for the second, being the highest dividend that the shareholders had ever obtained.

NORTHAMPTONSHIRE UNION BANK.

The Shareholders in this Bank held their Annual General Meeting at the George Hotel, Northampton, on the 3rd instant; John Nethercoat, Esq., in the chair. The amount of profit for the past year reported to the meeting was £21,521 10s. 11d., and was disposed of as follows:—

Dividend of 16s. per share on old shares, and 12s. per share on new shares	£20,200	0	0
Income tax	627	14	6
Surplus added to the Guarantee Fund	693	16	5

Total..... £21,521 10 11

The Guarantee Fund has increased £1,713 6s. 6d. during the year, by the dividends on stock and the surplus profits, and now amounts to £41,857 5s. 1d., making the paid up capital of the Bank £234,357 5s. 1d.

UNION BANK OF AUSTRALIA.

At the Half Yearly Meeting of this company the Report of the Directors was read, which stated that—

“Dispatches have recently been received from the inspector, containing his report upon the position in which he found the branches in New South Wales and Van Diemen’s Land, at his late visit of inspection; and the exact state of the various securities held by the bank at each branch, the general result of which is at once creditable to the managers, and very satisfactory to this board.

“The abundance of money, and comparatively low rate of interest, prevailing in New South Wales for the last two or three years, have naturally given rise to increased internal consumption, and attracted a large and active import trade. This, concurring with other causes, has tended to produce an adverse state of exchange, and led to the transmission of a considerable amount in specie to this country. The directors, having for some time anticipated this result, made such preparations as enabled the branches, under the judicious instruction of the inspector, to meet the greatly-increased demand for bills in London, without the smallest derangement of their financial position, and with much benefit to the general interests of the bank.

“The directors have the satisfaction of stating that no loss has been sustained by the bank during the recent period of commercial distress; while, on the other hand, the estimate for bad and doubtful debts has been to a small extent reduced by the last returns.

“The directors now submit their usual statement of accounts, the result of which enables them to declare a dividend for the half-year, at the rate of six per cent. per annum, free of the income-tax, and, in order to equalise the division, 7d. in the pound will be added upon such dividends as are paid in the colonies.”

LIABILITIES.

Bills payable	£74,123	9	1
Sundry balances	4,040	14	10
Reserve fund (10 per cent.)	£53,340	15	4
Profit and loss	43,067	6	4
	<hr/>	<hr/>	<hr/>
	96,408	1	8
	<hr/>	<hr/>	<hr/>
	£174,572	5	7
Paid-up capital	820,000	0	0
	<hr/>	<hr/>	<hr/>
	£994,572	5	7

ASSETS.

Branch accounts (balance)	£461,847	15	11
Bills receivable	20,615	0	6
Investments, Government stock, and loans on security ..	498,171	13	10
Insurance, open policies, &c.	2,964	8	6
Cash	10,973	6	10
	<u>£994,572</u>	<u>5</u>	<u>7</u>

STATEMENT OF PROFITS.

Balance of undivided profit at June, 1847	£ 37,677	10	11
To which add profits for the half-year at the branches ending the 30th of June; and at the London Office, the 31st of December, 1847, £33,321 19s. 4d., deducting one-tenth for reserve fund, £3,332 3s. 11d.	29,989	15	5
	<u>£ 67,667</u>	<u>6</u>	<u>4</u>
Deduct dividend paid at Midsummer, 1847	24,600	0	0
Balance of undivided profit at this date	£ 43,067	6	4

RESERVE FUND.

At June, 1847, as per statement	£ 50,008	11	5
Add to December, as per contra	3,332	3	11
	<u>£ 53,340</u>	<u>15</u>	<u>4</u>

LONDON AND COUNTY BANK.

At the Annual Meeting held on Thursday, February 3rd, 1848, the following Report for the year ending December 31st, 1847, was read by the Secretary:—

“Your directors, in presenting to the proprietors their Annual Report, can refer with much satisfaction to the continued prosperity of the Bank. The extreme monetary pressure of the past year imposed upon your directors the necessity of great caution; they felt that a responsibility rested upon the London and County Bank to grant with liberality the banking accommodation required by its numerous connexions; and they trust that the extensive interests comprised within the range of its branches were relieved by the free, but prudent use of the large resources at their disposal, from the inconvenience so generally felt throughout the United Kingdom.

“During the severity of this pressure your directors were called upon, owing to the failure of a private bank at Abingdon, to offer their aid to that important town and neighbourhood, which was gratefully accepted, and a branch bank has been established at that place, which promises to be a valuable accession to the business of the company.

“Your directors are gratified in being able to state that the losses incurred by the bank during the past year have been unusually small; and although, in common with other banks, the financial statement shows a considerable reduction in the amount of customers’ balances—arising not only from the general depression of trade, but from investments induced by the low prices of public securities,—yet the increased current rate of interest has enabled your directors to report a profit nearly equal to that of last year. Your directors, therefore, can recommend to the proprietors that a dividend at the rate of 6 per cent. per annum (free of income-tax) be declared for the past half-year: and that, after payment of expenses, and providing for bad and

doubtful debts, the balance of 864*l.* 11*s.* 3*d.* be carried to the Guarantee Fund, which will then amount to 25,616*l.* 6*s.*

"William Hawes, Esq., your late chairman, retired during the past year; and Wm. Gordon Thomson, Esq., has been elected to a seat in the direction. The directors retiring from the board by rotation are William Cory, Esq., J. W. Deacon, Esq., and Clement Taber, Esq., who have each given notice of their intention to become candidates for re-election.

"John Donkin, Esq., one of your auditors, also retires by rotation, and, being eligible for re-election, offers himself accordingly. Your directors regret that your other auditor has been prevented from attending to the recent audit by a family bereavement, and suggest that a third auditor should be appointed.

BALANCE SHEET, DEC. 31, 1847.

DR.	£	s.	d.
To Capital	200,600	0	0
Reserved fund	24,751	14	9
Customers' balance, &c.	1,225,120	1	0
Net profit for the half-year, after payment of 9,781 <i>l.</i> 15 <i>s.</i> for interest to customers	6,882	11	3
	<u>£1,457,354</u>	<u>7</u>	<u>0</u>
CR.			
By cash in hand	268,822	8	10
Securities, discounted bills, &c.	1,140,889	7	3
Bank premises, freehold and leasehold	28,827	16	10
Preliminary expenses, expenses of establishing and purchasing branches	18,814	14	1
	<u>£1,457,354</u>	<u>7</u>	<u>0</u>

PROFIT AND LOSS ACCOUNT.

To half-year's dividend, at 6 per cent.	6,018	0	0
Balance carried to Guarantee Fund	864	11	3
	<u>£6,882</u>	<u>11</u>	<u>3</u>
By nett profit for the half-year	<u>£6,882</u>	<u>11</u>	<u>3</u>

It was stated in the conversation which ensued, that this Company has from an humble origin assumed a very important position amongst Joint Stock Banks; and that during the late monetary pressure, this bank had sustained very little if any loss. It has the advantage of having its branches visited at uncertain periods by the directors themselves, as well as by the inspector; the short distance from London of any of the branches enabling the directors to reach them by railway in the course of two or three hours.

[The Resolutions passed at the meeting will be found in the advertisement sheet of our present number.]

Notes of the Month and Intelligence.

IN RE BRODIE'S BANKRUPTCY.—T. B. H. Abrahall, Esq., one of the registrars of the Court of Bankruptcy, sat at Salisbury, to receive proof of debts in this bankruptcy, both jointly and separately. The number of creditors who attended to prove far exceeded what was expected. The amount proved during two days, nearly all in small debts, was above £20,000. Nearly as much more yet remains to prove. More than £90,000 was proved in London, making a total of from £130,000 to £140,000 for dividends to be declared upon.

A meeting of the creditors of the late firm of Brodie & Co. took place on the 21st instant, at Salisbury. It was proposed that the premises lately occupied by the bankrupts, as bankers, stationers, and printers, together with the stock in trade, utensils, fixtures, &c., and the copyright of the newspaper still published on the same premises, known as the *Salisbury and Winchester Journal*, should be publicly sold for the general benefit of the creditors—when a Mr. White, of Shirley, near Southampton, a creditor for £6,800, objected, stating that he claimed the whole of that property for the debt due to him, he having disposed of freehold and other property to the bankrupt, W. B. Brodie, to fully its value, and holding a bond of the said bankrupt's, wherein it was agreed to pay him (Mr. White) the sum of £580 per annum for the joint and separate lives of him and his wife. To this the creditors present objected, they urging that such property belonged to the creditors generally, and not to Mr. White individually. It was eventually proposed and carried that Mr. John Lambert, solicitor, Salisbury, should be instructed to claim the same, and to have counsel's opinion thereon.—Mr. G. Gregory, who was in partnership with the bankrupts as millers, mealmen, and dealers in flour, corn, and grain, at Fisherton Mills, Salisbury, made the following proposition, viz., that he would pay 20s. in the pound on £2,800; on £360, 10s. in the pound; leaving but rather more than £100 in bad debts, on which he could not pay anything, these being debts due to the firm as millers, &c. The creditors present considered Mr. Gregory's offer so liberal that they unanimously agreed to accept it.—It was then proposed that the assignees should have power to compound and execute a deed of assignment for the benefit of the creditors, and obtain dividends on certain debts due to the estate from persons then and there named, who were not able to pay in full. This was agreed to. It was stated that between £30,000 and £40,000 had been paid into the hands of the official assignee, and that it was hoped a dividend of at least 4s. in the pound would be declared in a few days, with a further dividend so soon as the residue of the bankrupts' property had been disposed of.

EXCHEQUER BILLS.—The following official notice has been published in the *Gazette*:—"Exchequer Bill Office, 18th February, 1848, No. 2, Whitehall Yard. The Exchequer Bills dated in the month of March, 1847, viz. per 9 Vic., cap. 15, £18,380,200, A.D. 1846, with the interest due thereon, will be paid off on the 16th day of March, 1848, when the interest will cease. Such bills will be received daily, from half past ten o'clock till two, until and including the 6th March, at this office, where lists are to be obtained, containing instructions for arranging the bills. The bearers must endorse each bill with their usual signatures, and write their names and residences at the bottom of each list; and where the names of holders are inserted in bills, the bearers, not being such holders, must previously obtain their endorsements. The bearers must attend to give receipts for the payment. Payment may be

obtained if required, previous to the said 16th day of March, upon leaving the bills for examination one day prior to that on which such payment is desired. New bills, bearing an interest of *twopence halfpenny by the day* upon every £100, dated 16th day of March, may be obtained in whole or in part payment of principal of the Exchequer Bills issued under the above-mentioned Act, upon stating the required amount on the lists delivered on or before the said 6th day of March; which new bills, with the interest on the bills exchanged, will be issued on the 17th day of March. The bills to be classed in separate lists, according to the acts under which they have been issued. All Exchequer Bills charged on Supplies, dated prior to March, 1847, have been advertised to be paid off." It will be observed from this notice that the rate of interest is reduced from threepence to *twopence halfpenny* per cent. per diem.

Mr. HERRIES' motion for the suspension of the Bank Charter Act came on for discussion in the House of Commons on the 17th Feb., and after an animated debate, in which scarcely any defence of the measure was attempted, the ministry succeeded in postponing an inquiry by a majority of 163 to 122. The large number of the minority in favour of the motion shows the progress of opinion in the House.

BANK OF AUSTRALASIA.—Our readers will remember, that an appeal case to the Privy Council here has been for some time waiting for judgment, in which the Bank of Australasia claimed repayment of £154,000 advanced to the Bank of Australia in Australia, in March and April 1843, on the promissory note of the chairman of that bank. The debt was *repudiated* by the shareholders of the bank on the 6th August, 1844, and a decision in their favour, on a point of law, having been given by the casting vote of one of the judges in the Colonial Court, although in opposition to the opinion of the Chief Justice; the Bank of Australasia appealed to the Privy Council here against the decision. In this they have been quite successful. The Privy Council have decided that they have a right to recover the sum advanced, and have given them the costs of the proceedings taken in Australia in the action tried there. We have received a report of the judgment, but too late in the month to notice it more fully. We are sure it will give general satisfaction, the former decision having been obviously most unjust, and in opposition to the merits of the case.

FORGERY OF THE £5 NOTES OF THE NORTHAMPTONSHIRE BANKING COMPANY.—A party of seven swindlers succeeded in passing several forged £5 notes at different shops in Northampton, a short time since. The notes purported to be the Northampton £5 notes of the Northamptonshire Banking Company, and as they were all passed after bank hours, the swindlers were enabled to leave without detection. The manager, however, having received letters from bankers at Banbury and Peterborough, enclosing notes which had excited their suspicion, and which had been passed at the markets in those towns, the forgery was promptly detected. The swindlers appear to have made their way in two parties to Northampton from Banbury to Peterborough, seventeen notes having been discovered in those and the adjacent towns, and these, numbering in all forty-three notes, describe pretty nearly the extent of the swindlers' depredations. With regard to the notes of the Northamptonshire Banking Company, the forgery detected is confined to the £5 notes dated at Northampton, and does not extend to any of the notes issued and dated at Daventry, Wellingborough, and Stamford. The directors, however, determined upon an entirely new issue of notes, from plates engraved in a different style, and the new notes are now in circulation. The occurrence above referred to took place in last Christmas week, but we have not heard whether the swindlers have been since discovered.

SIR W. B. COOKE, BART., AND CO., DONCASTER.—In order, we understand, to carry into effect a newly formed partnership, it has been lately agreed to unite the business of the two banking firms of Sir W. B. Cooke, Bart., and Co., and Messrs. Leatham, Tew, and Co., at Doncaster; whereby, from and after the 1st of January, 1848, those two banks will be conducted under the firm of Sir W. B. Cook, Bart., and Co., alone. The alteration referred to does not in any way concern the Wakefield and Pontefract Banks of Messrs. Leatham, Tew, and Co., which will continue to be carried on as before. As soon as the requisite formalities shall have been complied with, the present authorised circulation of the notes of Messrs. Leatham and Co.'s, Doncaster Bank, will, we believe, be granted to the united bank, by the Board of Stamps and Taxes. As the Doncaster notes of Messrs. Leatham and Co., are not now re-issued, the weekly average in the *Gazette* will, of course, merely show the amount that has not come in and been cancelled.

MESSES. HUGH TOD AND HENRY DAVID HILL, described as "of Edinburgh, *Bankers*," appeared in the *Gazette* of 24th December last as having had sequestration issued against them. Claims to be made by 23rd June.

Review.

Lectures on the History and Principles of Ancient Commerce. By J. W. Gilbart, F.R.S. London: Smith, Elder, and Co.

It will be remembered that we noticed some time since the fact of Mr. Gilbart having printed these lectures for private distribution; and more than one of our correspondents, who wished to obtain copies, urged their publication for general use. We are glad to find Mr. Gilbart has complied with this request, as the work is calculated to be of much service to young men by affording them an excellent epitome, not only of the principles of ancient commerce, but of the universal principles of trade, and of the mode in which alone it can be conducted with honour and success.

In all Mr. Gilbart's writings there is an earnestness of purpose, and a simplicity of design, which admirably fit them for works of general instruction; and from his extensive general knowledge, he is enabled to bring so much collateral information to bear upon the subject under consideration, that it never becomes dry and uninteresting in his hands, however purely business-like may be its character. His talent in this respect is well exemplified in the present volume, and we can easily understand from its perusal why the lectures were so popular, when delivered by himself some years ago, while the manager of the Provincial Bank of Ireland, at Waterford.

The five nations whose commerce forms the basis of the lectures, which are accordingly five in number, are Egypt, Greece, Tyre (including Carthage), Rome, and the East Indies. All the lectures are in the same form, consisting first of a statement of the advantages and disadvantages of the places, made chiefly with reference to some abstract commercial proposition, and concluding with a reflection on the commercial character of the inhabitants. The nations selected are, it will be seen, such as with a little ingenuity may be used as types for all the varieties of commerce, in whatever modern shape these may appear. The use of communication, external and internal, the advantages of banking institutions, the commercial position of agriculture, the commercial evils of war, with other kindred topics, are all successively treated in the most lucid manner.

The form being the same throughout, we may just describe the lecture on Egypt as a specimen of the rest, selecting it because it is the first and the most simple. After a short statement of the political vicissitudes of the nation, Mr. Gilbart lays down the proposition that the productions of a country

will regulate its exports. Corn, linen, horses, and paper (papyrus) are then shown to have been the chief exports of Egypt. The second proposition is, that the consumption of a country will regulate its imports; and it is then shown that the peculiarities of Egypt were such that its imports consisted of timber, metals, drugs, and spices; the natural habits of the people, their general abstinence from animal food and strong drinks, being brought to bear on this subject. The third and fourth propositions state the connexion of the geographical positions of a country, and its means of communication with its commerce; and under the latter of these the canals of Egypt are mentioned. The condition of the arts and sciences, chiefly with regard to coining, is next examined; and the consideration of the laws of Egypt introduces reflections on a division of trades by cast, and on the practice of imprisonment for debt, which did not exist in Egypt; where, however, the practice of trying the dead before they could be buried, was a sort of check upon dishonesty. To conclude, idleness and an absence of all taste for the luxuries of life, are looked upon as the defects of the Egyptians; for Mr. Gilbart, as a political economist, of course repudiates the doctrine that wealth and a love of luxury belong to the evils of a nation—that grand fallacy which maudlin poets, discontented moralists, and ecclesiastical fathers have delighted to impress upon the human mind. In another lecture, Mr. Gilbart points out very efficiently the absurdity of the old moral doctrine, by simply declaring that if wealth is an evil, industry is a vice.

In the preface to the work, Mr. Gilbart has some excellent observations on the importance of lectures, as a means of education and improvement for all classes of society. The subject is an interesting one, and we shall refer to it hereafter in some papers we have preparing for publication on the Education of Bank Clerks.

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF FEBRUARY 1848.

LONDON, *Saturday, 26th February*.—At the time we write the Money Market is in a state of excitement, which some of the oldest members of the Stock Exchange allege has not been equalled within their memory. The news which arrived from Paris yesterday afternoon, that the King of the French had abdicated, and that a Republic had been proclaimed, has produced a *panic*. The funds have fallen nearly *seven per cent.* from the quotations at the beginning of the week. The following statement of the closing prices of *consols* for the account,* on Monday last and to-day, will show clearly the effect of the intelligence.

		Opened.		Closed.
Monday, 21st February	..	89½ to 89¾	..	89½ to 89¾
Saturday, 26th February	..	84½ to 83	..	83½ to 84

Under these circumstances all calculations as to the future condition of monetary affairs would be unsatisfactory, and as we have referred to the subject in our first article, we may confine ourselves here to a narration of the other monetary events of the month, which occurred before this French news was received.

The abundance of capital noticed in our last review has continued to increase, and the rates of discount for first class paper of an usance of three or four months cannot be stated at more than from 3 to 3½ per cent. The reduction, therefore, by the Bank Directors on the 27th January, of their minimum rate to 4 per cent. per annum on 95 day's bills, has not had the effect of increasing the volume of their private securities. There has been, on the contrary, a most important decline on that division of the business of the establishment. On the stock exchange, up to yesterday, when the alarming news was received, the course of affairs had been remarkably even, and with the exception of the slight influence arising out of the resolution of the government, *not* to fund any portion of the outstanding Exchequer Bills, and the financial disclosures of the Budget, the prices of the funded securities had

oscillated between very close points. As regards the Exchequer Bills, the anticipation we ventured to express last month has been verified by the result—Sir Chas. Wood has maintained the quantity and reduced the interest from 3d. to 2½d. per cent. per diem. It is probable that so long as the leading railway debentures continue under the shade of suspicion, and there is great difficulty in obtaining first rate bills for discount, the government may have the satisfaction of seeing their floating debt maintain a premium. There are many contingencies, however, by no means unlikely to occur, which might again compel the Finance Minister to uphold his credit, either by limiting the extent of his bills, or giving them the support of a high rate of interest.

The results of the half-yearly railway meetings which have been held during the month, have not been of such a nature as to produce any decided change in the value of that description of property. The "Calls" for February, (1848) are set down at

English lines	..	..	..	..	..	£2,023,058
Foreign ..	..	..	..	..	..	132,000
						<hr/> £2,155,058

There appears to have been a very general resumption of railway works, and the effect is to be traced in a most material mitigation of the evils and distress which are the inevitable concomitants of a period of commercial depression, such as at present afflicts the country.

STATE OF TRADE.

The following figures are an abstract of the police report of the state of employment in Manchester on the 15th Feb. (1848):—

		Mills.	Work people.
Working full time	..	153	33,296
Working short time	..	35	3,659
Stopped work	..	17	7,613
Total number	..	205	44,568

The condition of the markets in Lancashire is perhaps a shade better, but the improvement is neither important nor steady. During the last few weeks there has been a renewed difficulty for a revival in the price of raw cotton. The origin of this somewhat unexpected movement appears to be almost exclusively of a temporary nature, and resolves itself rather into an unusual reduction of the local supplies than into any well founded apprehension of a failure in the general crop of the producing countries. The estimates of that crop range between 1,800,000 and 2,400,000 bales; but the more sober calculations confine themselves to a result of from 2,100,000 to 2,200,000 against 1,778,000 in 1847.

THE CORN TRADE.

The *Gazette* returns for England and Wales have been:—

Weeks ended, 1848.	Qrs. sold	Weekly average.	Six Weeks' average.	Duty.	Corresponding Six Weeks Last Year.
		s. d.	s. d.		s. d.
Jan. 15 ..	105,184 ..	53 5 ..	53 1 ..	nil ..	63 10
.. 22 ..	106,252 ..	53 1 ..	53 3 ..	.. ..	66 0
.. 29 ..	93,490 ..	52 0 ..	53 3 ..	.. ..	68 7
Feb. 5 ..	97,510 ..	51 2 ..	52 11 ..	.. ..	70 7
.. 12 ..	102,448 ..	51 0 ..	52 5 ..	.. ..	71 10
.. 19 ..	101,441 ..	50 11 ..	51 11 ..	.. ..	72 7

The imports of foreign grain continue to be upon an extensive scale, as the following figures will shew, for two periods of five weeks each, ending the 29th of December, 1847, and the 2nd of February, 1848:—

	29th Dec. 1847.	2nd Feb. 1848.
	Qrs.	Qrs.
Wheat ..	183,907 ..	180,497 ..
Other Sorts ..	174,402 ..	153,649 ..
Total ..	<hr/> 358,309 ..	<hr/> 334,146 ..

The very even range of the prices of corn appears to leave no room for comment. The duties imposed by the last corn bill of 1846, will again come into operation on the 1st of March.

AMERICAN EXCHANGE.

The recent advices from America have confirmed the accuracy of our views, as expressed last month. The shipments of the cotton crop, and the high exchange, had brought out drawers of bills; and the last American newspapers express a confident belief that the drain of bullion to Europe was at an end.

BANK OF ENGLAND.

The Returns have been :—

LIABILITIES.						
Date. 1848.	Circulation.	Public Deposits.	Private Deposits.	Total Deposits.	Rest.	Total Liabilities.
Jan. .. 15	20.00 ..	4.33 ..	10.67 ..	15.00 ..	3.72 ..	38.73
22	20.01 ..	4.08 ..	10.77 ..	14.85 ..	3.72 ..	38.60
29	20.04 ..	4.17 ..	10.77 ..	14.84 ..	3.72 ..	38.71
Feb. .. 5	20.03 ..	4.57 ..	10.30 ..	14.87 ..	3.80 ..	38.76
12	19.42 ..	5.38 ..	9.96 ..	15.34 ..	3.80 ..	38.57
19	18.95 ..	6.03 ..	9.79 ..	15.82 ..	3.79 ..	38.58

ASSETS.						
Date. 1848.	Public Securities.	Private Securities.	Bullion in Banking De- partment.	Bullion in Issue De- partment.	Total Bullion.	Total Assets.
Jan. .. 15	11.20 ..	14.70 ..	7.73 ..	5.09 ..	12.82 ..	38.73
22	11.46 ..	13.96 ..	8.05 ..	5.12 ..	13.17 ..	38.60
29	11.55 ..	13.77 ..	8.24 ..	5.15 ..	13.29 ..	38.71
Feb. .. 5	11.55 ..	13.34 ..	8.68 ..	5.14 ..	13.82 ..	38.71
12	11.57 ..	12.79 ..	9.68 ..	4.52 ..	14.20 ..	38.57
19	11.57 ..	12.44 ..	10.47 ..	4.10 ..	14.57 ..	38.58

We are not aware that anything can be said in illustration of these figures, but a reference to them may very appropriately sanction a few words on a question which, we believe, will be made the subject of special consideration during the present session, namely :—How far it is desirable that the *weekly* publication of the assets and liabilities of the Bank of England shall be continued? It is quite certain that in many quarters of great authority and influence, there is a decided opinion that the present mode of hebdomadal publication is a source of great mischief. It is contended that in times of pressure, it is the fruitful source of alarm and misapprehension, without yielding any countervailing advantage, and that in seasons of ordinary confidence, it is a virtual dead letter, of little interest and less utility to the merchant, and scrutinized only for theoretical purposes, by theoretical observers. It is, moreover, contended, and with much reason, that in the form in which the return is issued it subjects the Bank to positive injustice, by exposing unduly the nature of its transactions, and exposes the Directors to perpetual storms of censure, by merely exhibiting the results without the reasons of their line of policy. On the other hand, the only substantial argument in favour of the weekly publication is to be found in the expectation that the habitual recurrence of the discussions excited by the appearance of these figures, will gradually promote the growth of a sound and temperate tone of public opinion on monetary questions, and that in the meantime the effect of these discussions is to impose, to some extent, a correcting check upon the conduct of the Bank Directors.

Upon a patient review of the actual experience we have had of the weekly returns, we are by no means sure that either of these ends can be said to have been attained. Public opinion, except with reference to the single point of condemning the statutes which introduced this among other hasty innovations, is still as discordant as ever; and we very much fear that the notion of promoting the public interest by a perpetual agitation of currency topics, diversified by all the accompaniments, corroborating anecdotes, hearsay facts, and hypothetical cases, must be abandoned as one of those deceptive fallacies which, in spite of their apparently abstract feasibility, are incompatible with surrounding circumstances. At the same time the question is clearly one of degree. It is not a dispute between a weekly publication and no publication at all—but between a weekly publication and a *Gazette* return, to make its appearance at the end of a longer interval after the date to which the figures were strictly applicable. The determination of this interval is a fair point of debate. Probably a form of account divested of the faults of the present return might be issued with benefit to the public, and without prejudice to the bank, at the end of every month or six weeks after the day on which it was made up.

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1843. Jan. 29th.	1843. Feb. 5th.	1843. Feb. 12th.	1843. Feb. 19th.
Notes issued.....	£ 26,782,235	£ 27,210,880	£ 27,562,895	£ 27,999,796
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	2,084,900	2,084,900	2,084,900	2,084,900
Gold coin and bullion	11,339,330	11,767,865	12,139,880	12,447,690
Silver bullion	1,443,015	1,443,015	1,443,015	1,443,015
	26,782,235	27,210,880	27,562,895	27,999,796

BANKING DEPARTMENT.

	1843. Jan. 29th.	1843. Feb. 5th.	1843. Feb. 12th.	1843. Feb. 19th.
Proprietors' capital.....	£ 14,533,000	£ 14,533,000	£ 14,533,000	£ 14,533,000
Reserve	3,790,940	3,803,998	3,803,023	3,798,368
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts)	4,171,303	4,574,468	5,323,795	6,022,633
Other deposits	10,708,087	10,899,037	9,961,845	9,767,338
Seven day and other bills	904,973	896,317	901,590	860,896
	34,124,213	34,129,305	34,604,555	35,043,367
Government securities (including Dead Weight Annuity)	11,533,914	11,533,914	11,574,921	11,574,921
Other securities	14,321,905	13,888,593	13,343,570	13,968,397
Notes	7,646,315	8,074,925	9,064,335	9,866,010
Gold and silver coin	608,679	610,874	621,829	678,944
	34,124,213	34,129,305	34,604,555	35,043,367

The Exchanges.

	Feb. 4th.	Feb. 11th.	Feb. 18th.	Feb. 25th.
Amsterdam, 3 months	12 4	12 3½	12 3½	12 4
Ditto at sight	12 1.	—	12 0½	12 1
Rotterdam, short ..	12 4	12 3½	12 3½	12 4
Antwerp, 3 months ..	25 90	25 80	25 80	25 90
Hamburg, ditto.....	13 14½	13 14½	14 13½	14 15
Paris, short	25 50	25 45	25 45	25 45
Paris, 3 months	25 90	25 70	25 70	25 75
Marseilles, ditto	25 85	25 75	25 60	25 60
Bordeaux, ditto	25 83	25 75	25 60	25 60
Frankfort, ditto	122½	122½	123	122½
Vienna, ditto.....	10 16	10 15	10 12	10 14
Trieste, ditto.....	10 17	10 16	10 13	10 15
Madrid, ditto	46½	46½	46½	46½
Cadix, ditto	48½	48½	48½	48½
Leghorn, ditto	31 5	31 0	31 0	31 10
Genoa, ditto.....	36	36 90	35 65	35 90
Naples, ditto.....	30	30½	30½	30½
Palermo, ditto	118	117½	117½	117½
Messina, ditto	118	117½	117½	117½
Lisbon, 60 days' date	52	52	51½	51½
Oporto, ditto	52½	52	52	52
Rio Janeiro, ditto ..	—	—	—	—

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTES.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 15.	Jan. 8.	Jan. 22.	Jan. 29.
	£	£	£	£	£
1 Andover Bank	17,751	8,381	8,870	8,350	9,485
2 Ashford Bank	11,849	9,340	8,753	9,816	10,550
3 Aylsham Bank	5,854	4,635	5,058	5,332	5,298
4 Aylesbury Old Bank	48,461	31,850	32,132	32,818	31,936
5 Baldock and Biggleswade Bank	37,223	27,629	26,285	26,318	26,735
6 Barnstaple Bank	17,182	10,772	10,783	10,498	11,006
7 Basingstoke and Odiham Bank	24,730	15,454	16,097	16,865	17,472
8 Bedford Bank	34,218	31,355	31,959	31,197	30,826
9 Bedford and Bedfordshire Bank	8,515	6,894	7,656	6,965	6,713
10 Bewdley Bank	18,597	13,029	13,480	13,983	13,844
11 Bicester and Oxfordshire Bank	27,090	14,841	15,110	15,254	14,795
12 Birmingham Bank—Attwoods & Co.	23,695	22,012	23,405	22,238	23,263
13 Birmingham and Warwickshire Bank	18,132	12,414	13,012	13,368	12,855
14 Blandford Bank	9,723	7,594	7,820	8,021	7,935
15 Boston Bank—Garfit and Co.	75,069	62,970	62,568	62,477	61,160
16 Boston Bank—Gee and Co.	15,161	13,000	13,504	13,853	14,091
17 Bridgewater Bank	10,028	7,291	7,217	7,504	7,721
18 Bristol Bank	48,277	30,785	32,446	31,873	32,875
19 Broseley and Bridgenorth Bank	26,717	20,490	21,000	20,996	20,382
20 Buckingham Bank	29,657	16,988	19,756	19,277	18,173
21 Bury and Suffolk Bank	82,362	69,625	70,769	69,507	68,965
22 Banbury Bank	43,457	23,189	24,309	26,051	25,834
23 Banbury Old Bank	55,153	38,593	37,982	38,824	39,268
24 Bath City Bank	4,572	2,355	2,768	2,995	5,954
25 Bedfordshire Leighton Buzzard Bank	36,829	30,068	29,930	29,937	29,907
26 Birmingham Bank—Taylor & Lloyds	38,816	30,650	32,547	31,913	31,426
27 Bradford Old Bank	12,676	12,810	12,109	11,589	10,492
28 Brecon Old Bank	68,271	55,921	55,438	53,195	48,529
29 Brighton Union Bank	33,794	27,948	30,058	30,581	31,965
30 Burlington and Driffield Bank	12,745	11,814	13,002	12,406	12,191
31 Bury St. Edmund's Bank	3,201	2,675	3,141	2,810	2,507
32 Bromsgrove Bank	16,799	15,290	16,752	15,600	15,479
33 Cambridge Bank (Mortlock & Sons)	25,744	22,002	21,578	20,818	20,928
34 Cambridge and Cambridgeshire Bank	49,916	45,465	45,340	44,684	42,712
35 Canterbury Bank	33,671	28,452	28,645	29,652	28,665
36 Carmarthen Bank	23,597	17,095	17,257	17,176	17,114
37 Chertsey Bank	3,436	3,026	3,033	3,100	3,156
38 Colchester Bank	25,082	17,176	17,436	17,180	18,208
39 Colchester and Essex Bank	48,704	33,979	35,560	35,880	36,238
40 Cornish Bank	49,869	41,267	40,808	40,716	40,687
41 Coventry Bank	12,045	8,494	9,443	8,915	9,100
42 City Bank, Exeter	21,527	13,146	13,118	13,874	14,773
43 Craven Bank	77,154	65,835	64,787	65,383	65,330
44 Christchurch Bank	2,840	1,778	1,841	1,951	1,771
45 Cardiff Bank	7,001	4,910	5,052	5,488	5,706
46 Chepstow Old Bank	9,387	5,361	5,277	5,533	5,690

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 8.	Jan. 15.	Jan. 22.	Jan. 29.
	£	£	£	£	£
47 Derby Bank—Messrs. Evans	13,332	12,115	13,808	13,081	12,108
48 Derby Bank—Smith and Co.	41,304	32,295	32,705	31,955	32,284
49 Derby Old Bank	27,237	25,017	25,974	26,762	27,317
50 Devizes and Wiltshire Bank	20,674	9,514	10,284	10,646	10,906
51 Diss Bank	10,657	10,561	10,321	10,273	10,352
52 Doncaster Bank	13,881	8,823	8,459	6,643	6,253
53 Doncaster Bank and Retford Bank	63,519	51,667	52,973	55,788	57,151
54 Darlington Bank	86,218	62,580	63,214	62,474	61,225
55 Devonport Bank	10,664	9,128	9,939	10,236	9,975
56 Dorchester Old Bank	48,807	31,587	33,802	32,895	32,765
57 East Cornwall Bank	112,280	83,861	83,589	85,155	86,381
58 East Riding Bank	53,392	50,731	50,393	49,083	47,798
59 Essex Bank & Bishops Stortford Bk.	69,637	45,095	44,972	44,741	45,005
60 Exeter Bank	37,894	22,135	23,735	23,522	23,794
61 Fakenham Bank	24,293	20,358	19,535	18,452	18,988
62 Farringdon Bank & Bank of Wantage	8,977	4,636	4,188	4,421	4,114
63 Farnham Bank	14,202	10,592	12,090	11,853	11,915
64 Faversham Bank	6,681	5,123	5,515	5,401	5,209
65 Godalming Bank	6,322	5,801	5,814	4,948	4,961
66 Grantham Bank—Kewney and King	19,401	18,283	18,655	18,327	17,352
67 Guildford Bank	14,524	10,663	11,093	11,812	12,057
68 Grantham Bank—Hardy and Co. ..	30,372	22,377	22,463	22,544	22,138
69 Hastings Old Bank	38,038	25,831	28,229	28,989	28,000
70 Hereford City and County Bank ..	22,364	13,796	14,872	15,139	14,770
71 Hertford and Ware Bank	23,635	23,754	21,766	20,630	21,955
72 Hull and Kingston-upon-Hull Bank	19,979	20,239	20,508	18,781	18,760
73 Huntingdon Town and County Bank	56,591	42,098	42,974	42,474	40,579
74 Harwich Bank	5,778	4,796	5,067	4,824	4,288
75 Hemel Hempstead Bank	23,842	18,132	18,740	18,520	18,175
76 Hertfordshire, Hitchen Bank	38,764	30,769	31,449	31,801	30,576
77 Hereford, Ross, & Archenfield Bank	27,625	19,921	20,888	21,462	21,730
78 Ipswich Bank	21,901	19,896	19,991	20,544	20,477
79 Ipswich and Needham Market Bank	80,699	73,603	75,410	74,600	73,667
80 Kentish Bank	19,895	12,473	14,110	13,410	13,589
81 Kingston and Radnorshire Bank	26,050	19,848	19,680	21,353	21,665
82 Knighton Bank	9,090	5,675	6,113	6,027	6,020
83 Knaresborough Old Bank	21,825	18,405	18,296	18,899	19,012
84 Kendal Bank	44,663	39,835	37,788	37,278	35,408
85 Kettering Bank	9,192	6,065	6,540	6,475	7,501
86 Lane End Staffordshire Bank	5,624	5,321	5,474	5,403	5,416
87 Leeds Bank	53,357	49,880	52,640	52,736	52,197
88 Leeds Union Bank	37,459	29,722	29,810	29,605	28,588
89 Leicester Bank	32,322	23,535	24,844	25,636	25,236
90 Lewes Old Bank	44,836	29,615	31,760	32,486	32,416
91 Lichfield Bank	22,786	17,897	19,749	20,470	21,104
92 Lincoln Bank	100,342	85,556	86,106	85,187	82,574
93 Llandovery Bank and Llandilo Bank	32,945	15,023	14,185	14,446	12,725
94 Loughborough Bank	7,359	6,585	6,626	6,868	7,062
95 Lymington Bank	5,038	3,009	3,585	3,620	3,562
96 Lynn Regis and Lincolnshire Bank	42,817	37,476	38,792	39,422	38,619
97 Lynn Regis and Norfolk Bank	13,917	14,228	13,580	13,964	13,769

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 8.	Jan. 15.	Jan. 22.	Jan. 29.
	£	£	£	£	£
Macclesfield Bank	15,760	9,784	10,545	11,042	10,642
Mauntingtree Bank	7,692	5,985	6,058	6,014	6,054
Marlborough Bank	19,073	10,766	10,858	11,090	10,970
Marlboro' & North Wiltshire New Bk.	12,490	7,905	8,160	8,077	7,423
Merionethshire Bank	10,906	7,965	6,073	5,726	5,317
Miners Bank	18,688	16,198	15,863	15,431	14,947
Monmouthsh. Agricult. & Comml. Bk.	29,335	25,313	25,780	24,863	23,756
Monmouth Old Bank	16,385	9,301	9,771	10,100	9,723
Monmouthshire Newport Old Bank	8,600	7,650	7,550	7,480	7,548
Newark Bank	28,788	25,175	15,062	25,228	25,177
Newark and Sleaford Bank	51,615	44,840	47,173	47,236	46,953
Newbury Bank	36,787	19,359	19,234	19,733	19,305
Newmarket Bank	23,098	18,724	20,567	19,957	19,737
Norfolk and Suffolk Bank	4,551	2,157	2,294	2,348	2,055
Norwich Crown Bank	45,120	40,961	42,346	42,039	41,501
Norwich and Norfolk Bank	75,372	64,055	64,577	63,480	63,031
Nottingham & Nottinghamshire Bk.	10,866	8,502	9,518	9,461	9,456
Nuneaton Bank	5,898	5,427	4,454	4,140	4,079
Naval Bank, Plymouth	27,321	19,369	21,900	21,829	22,331
New Sarum Bank	15,659	7,591	8,449	9,196	8,790
Nottingham Bank	31,047	27,203	28,511	28,730	26,920
Oswestry Bank	18,471	9,560	9,610	9,852	9,468
Oxford Bank	14,277	10,502	10,372	10,533	9,925
Oxford Old Bank	34,391	30,445	28,901	27,582	26,211
Old Bank Tonbridge	13,183	7,841	7,980	8,270	8,226
Oxfordshire Witney Bank	11,852	7,189	7,997	8,346	8,640
Pease's Old Bank, Hull	48,807	47,171	46,882	45,716	46,602
Penzance Bank	11,405	11,239	10,776	10,138	10,230
Peterborough Bank—Yorke & Co.	12,545	5,984	5,836	6,706	6,172
Peterborough Bank—Simpson & Co.	12,832	9,835	11,515	10,571	10,613
Pembrokeshire Bank	12,910	7,101	8,393	7,925	7,462
Reading Bank—Simmonds and Co.	37,519	21,992	22,950	23,947	24,587
Reading Bank—Stephens and Blandy	43,271	22,000	23,391	24,656	23,845
Richmond Bank, York	6,889	2,363	3,065	3,407	3,820
Ringwood and Poole Bank	11,856	6,726	7,536	8,062	8,996
Rochdale Bank	5,590	3,996	4,500	4,716	4,820
Rochester, Chatham, & Strood Bank	10,480	8,967	9,510	9,914	9,555
Royston Bank	16,393	12,273	12,614	13,678	13,445
Rugby Bank	17,250	13,278	13,876	14,049	13,605
Rye Bank	29,864	16,225	17,139	15,874	15,285
Rugate and Dorking Bank	13,700	8,729	9,350	10,020	10,360
Ross Old Bank, Herefordshire	7,420	4,240	4,151	3,954	4,245
Saffron Walden & North Essex Bank	47,646	36,599	36,012	36,392	35,256
Salop Bank	22,338	10,912	12,018	11,182	10,290
Scarborough Old Bank	24,813	24,105	24,555	24,354	24,313
Shrewsbury Old Bank	43,191	24,999	28,385	27,345	26,008
Sittingbourn and Milton Bank	4,789	3,024	3,260	3,086	2,862
Southampton Town & County Bank	18,589	12,963	13,207	13,379	13,091
Southwell Bank	14,744	11,513	11,657	11,765	12,755
St. Albans Bank	3,743	1,035	928	903	838
Southampton and Hampshire Bank	6,770	3,259	3,445	3,465	3,451

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 8.	Jan. 15.	Jan. 22.	Jan. 29.
149 Stone Bank	£ 9,154	£ 5,943	£ 5,965	£ 5,674	£ 5,137
150 Stourbridge Bank	17,295	14,299	13,668	14,275	14,046
151 Stafford Old Bank	14,166	13,111	13,502	13,518	14,658
152 Stamford and Rutland Bank	31,858	27,380	27,221	27,266	27,579
153 Stourbridge Old Bank	17,560	17,281	17,309	17,359	16,022
154 Shrewsbury and Welsh Pool Bank ..	25,336	15,431	16,876	16,640	15,616
155 St. Albans and Herts Bank	2,333				
156 Taunton Bank	29,799	18,658	18,824	19,342	19,574
157 Tavistock Bank	13,421	8,490	8,442	8,490	8,154
158 Thornbury Bank	10,026	7,741	8,420	8,574	8,352
159 Tiverton and Devonshire Bank	13,470	7,558	7,855	7,666	7,470
160 Thrapston and Kettering Bank	11,559	10,485	10,900	11,010	10,584
161 Tring Bank and Chesham Bank	13,531	9,959	10,487	10,685	11,531
162 Towcester Old Bank	10,801	8,206	7,807	8,151	8,291
163 Union Bank, Cornwall	17,003	9,748	8,903	9,087	7,850
164 Uxbridge Old Bank	25,136	17,451	17,964	17,914	18,791
165 Wallingford Bank	17,064	6,309	6,041	6,537	6,466
166 Warwick and Warwickshire Bank ..	30,504	23,129	24,923	24,464	25,112
167 Wellington Bank, Somerset	6,528	2,901	2,698	2,611	2,626
168 West Riding Bank	46,158	40,849	42,812	42,906	43,057
169 Whitby Old Bank	14,258	14,615	14,050	14,210	13,878
170 Winchester, Alresford, & Alton Bank ..	25,892	17,794	18,870	19,239	18,348
171 Winchester and Hampshire Bank ..	6,737	4,170	4,034	4,238	4,456
172 Weymouth Old Bank	16,461	8,491	9,955	9,581	9,605
173 Wirksworth and Derbyshire Bank ..	37,602	31,267	31,683	32,353	32,291
174 Wisbech and Lincolnshire Bank	59,713	51,343	52,148	51,800	50,634
175 Wiveliscombe Bank	7,602	5,293	5,320	5,647	5,485
176 Wolverhampton Bk. (Goodricke & Co. ..	14,180	12,016	13,280	14,006	12,870
177 Worcester Bank	15,463	8,389	9,079	9,528	9,555
178 Worcester Old Bank	87,448	66,514	70,809	71,121	71,167
179 Worcestershire Bank	14,309	9,920	10,972	10,273	9,525
180 Walsall Old Bank	19,937	18,163	18,888	18,991	18,750
181 Warminster and Wiltshire Bank	24,896	12,785	13,018	13,475	13,337
182 Wrexham Bank	3,289	2,355	2,308	2,200	1,898
183 Wolverhampton Bk. (R. & W.F. Fryer) ..	11,867	10,753	12,130	11,404	9,625
184 Yarmouth and Suffolk Bank	53,060	50,672	51,577	53,087	50,045
185 Yarmouth, Norfolk, & Suffolk Bank ..	13,229	13,105	12,113	10,975	10,200
186 Yeovil Old Bank	10,033	5,543	6,084	6,328	5,828
187 York Bank	46,387	38,877	39,583	40,016	39,947

JOINT STOCK BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 8.	Jan. 15.	Jan. 22.	Jan. 29.
	£	£	£	£	£
1 Bank of Westmorland	12,225	7,577	7,630	7,467	7,335
2 Barnsley Banking Company	9,563	6,685	7,119	7,052	7,199
3 Bradford Banking Company	49,292	39,657	42,504	41,991	42,091
4 Bilston District Banking Company..	9,418	9,159	8,817	9,002	8,295
5 Bank of Whitehaven	32,681	27,472	26,467	26,408	27,504
6 Bradford Commercial Banking Co..	20,084	12,621	13,081	13,887	14,129
7 Burton, Uttoxeter & Staffords. Un. Bk.	60,701	56,284	55,402	50,134	49,745
8 Chesterfield & Nth. Derbysh. Bkg. Co.	10,421	7,018	7,021	6,869	7,770
9 Cumberland Union Banking Co. ..	35,395	26,780	27,867	28,345	29,039
10 Cheltenham & Gloucestersh. Bkg. Co.	12,786	9,202	9,157	9,072	9,196
11 Coventry & Warwickshire Bkg. Co.	28,734	20,503	21,521	21,893	20,820
12 Coventry Union Banking Company	16,251	11,335	11,962	11,580	10,820
13 County of Gloucester Banking Co. .	144,352	92,675	95,336	94,808	94,465
14 Carlisle & Cumberland Banking Co.	25,610	20,877	21,011	20,878	21,054
15 Carlisle City and District Bank	19,972	14,729	15,427	16,453	18,003
16 Dudley & West Bromwich Bkg. Co.	37,696	34,847	35,454	36,024	35,221
17 Derby and Derbyshire Banking Co.	20,093	17,854	18,203	18,370	18,942
18 Darlington Dist. Joint Stock Bkg. Co.	26,134	13,520	13,858	13,197	13,558
19 East of England Bank	25,025	25,787	23,265	23,041	23,721
20 Gloucestershire Banking Company .	155,920	118,991	121,919	123,632	125,035
21 Halifax Joint Stock Bank	18,534	12,695	12,480	12,372	11,947
22 Huddersfield Banking Company ..	37,354	29,545	34,800	33,796	33,110
23 Hull Banking Company	29,333	26,565	27,548	27,449	27,046
24 Halifax Commercial Banking Co. .	13,733	8,106	8,663	9,014	9,422
25 Halifax & Huddersfield Union Bank	44,137	27,912	31,525	32,091	30,168
26 Helston Banking Company	1,503	1,689	1,500	1,353	1,315
27 Herefordshire Banking Company ..	25,047	13,000	13,787	13,940	14,390
28 Knaresborough and Claro Bkg. Co.	28,059	24,869	24,766	23,827	22,940
29 Kingsbridge Joint Stock Bank	3,952	3,440	3,764	4,068	3,897
30 Lancaster Banking Company	64,311	48,836	51,063	50,210	50,614
31 Leeds Banking Company	23,076	20,035	20,915	21,430	21,820
32 Leicestershire Banking Company ..	86,060	70,793	69,720	70,006	68,455
33 Lincoln and Lindsay Banking Co....	51,620	44,280	47,139	46,945	45,835
34 Leamington Priors & Warwicksh. Bk.	13,875	9,639	9,978	9,922	10,006
35 Ludlow and Tenbury Bank	10,215	7,830	8,216	8,040	8,153
36 Moore & Robinson's Nottinghamsh. Bk.	35,813	21,770	21,686	20,843	20,583
37 Nottingham & Nottinghamsh. Bkg. Co.	29,477	25,181	24,848	26,023	24,690
38 Newcastle, Shields and Sunderland Union Joint Stock Bank	84,130	29,087	27,499	25,473	23,760
39 National Provincial Bk. of England	442,371	312,785	324,861	326,493	322,044
40 North Wilts Banking Company	63,939	39,590	41,757	42,589	43,277
41 Northamptonshire Union Bank	84,356	66,258	68,021	68,501	66,262
42 Northamptonshire Banking Co.....	26,401	19,436	19,746	20,045	20,022
43 North and South Wales Bank	63,951	17,518	12,014	9,240	7,754
44 Pares's Leicestershire Banking Co..	59,300	43,006	45,090	47,290	47,211
45 Saddleworth Banking Company	8,122	2,228	2,028	2,049	1,940
46 Sheffield Banking Company	35,843	31,642	32,870	36,156	36,105
47 Stamford, Spalding & Boston Bkg. Co.	55,721	42,321	45,820	47,411	47,150

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Jan. 8.	Jan. 15.	Jan. 22.	Jan. 29.
	£	£	£	£	£
48 Stuckey's Banking Company	356,976	226,050	234,262	235,760	233,387
49 Shropshire Banking Company	47,951	39,645	40,188	38,501	37,539
50 Stourbridge and Kidderminster Bank	56,830	49,245	49,180	49,415	49,525
51 Sheffield and Hallamshire Bank....	23,524	17,460	17,700	17,365	17,745
52 Sheffield & Rotherham Jnt. Stock Bk.	52,496	49,900	52,754	53,415	52,035
53 Swaledale and Wensleydale Bank ..	54,372	43,786	42,291	41,923	41,560
54 Storey's and Thomas's Bank	9,714	9,593	9,139	9,447	9,259
55 Sheffield and Retford Bank.	18,744	819	865	888	875
56 Wolverhampton & Staffordshire Bank	35,378	29,111	33,633	31,895	30,164
57 Wakefield and Barnsley Union Bank	14,604	9,981	9,909	10,881	10,470
58 Whitehaven Joint Stock Bank	31,916	26,090	26,616	26,500	26,351
59 Warwick and Leamington Bkg. Co.	37,124	29,924	30,050	31,766	30,452
60 West of England and South Wales District Bank	83,535	59,198	58,728	56,911	56,755
61 Wilts and Dorset Banking Company	76,162	45,535	49,695	52,123	52,981
62 West Riding Union Banking Co. ..	34,029	23,190	24,966	25,489	24,995
63 Whitchurch and Ellesmere Bkg. Co.	7,475	1,867	2,272	2,740	2,849
64 Worcester City and County Bkg. Co.	6,848	3,856	3,970	4,256	4,128
65 York Union Banking Company	71,240	65,155	66,761	66,336	62,350
66 York City and County Banking Co.	94,695	89,242	87,980	85,698	82,865
67 Yorkshire Banking Company	122,532	97,157	103,517	101,492	99,862

Summary of the above Returns.

	Fixed Issues.	Jan. 8.	Jan. 15.	Jan. 22.	Jan. 29.
	£	£	£	£	£
187 PRIVATE BANKS	4,880,389	3,689,862	3,779,106	3,778,440	3,735,392
67 JOINT STOCK BANKS	3,409,987	2,490,633	2,559,601	2,559,180	2,530,005
254 TOTALS..	8,290,376	6,180,495	6,338,707	6,337,620	6,265,397

Average Weekly Circulation of these Banks for the Month ending January 29th :—

Private Banks	£3,745,700
Joint Stock Banks	2,534,855

Average Weekly Circulation of Private and Joint Stock Banks ending as above £6,280,555

On a comparison of the above with the Returns for the Month ending 1st Jan. last, it shows—

An increase in the Notes of Private Banks, of	£217,427
An increase in the Notes of Joint Stock Banks, of	124,633

Total increase on the Month £342,060

And, as compared with the Month ending the 30th January, 1847, it shows—

A decrease in the Notes of Private Banks, of.....	£942,082
A decrease in the Notes of Joint Stock Banks, of.....	733,048

Total decrease, as compared with the same period of last year .. £1,675,130

CIRCULATION RETURNS.

215

The fixed issues of the several Banks of Issue in England and Wales, excepting the Bank of England, are now, according to the *Banking Almanac* for 1848, as follows :—

187 Private Banks, allowed to issue	£4,880,389
65 Joint Stock Banks, allowed to issue	3,261,906

252	Total fixed issue	£8,142,295
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The following appears to be the comparative state of the circulation, with reference to the fixed issues :—

The Private Banks are below their fixed issue	£1,134,689
The Joint Stock Banks are below their fixed issue	875,132

Total BELOW the fixed issue.....	£2,009,821
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Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 29th day of January, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold and Silver Coin held during Four Weeks, ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Scotland.....	300,485	106,331	235,972	342,303	158,554
Royal Bank of Scotland	183,000	63,717	127,044	190,761	79,823
British Linen Company	438,024	123,015	281,921	404,936	131,189
Comml. Bk. of Scotland	374,880	143,579	299,436	443,015	162,095
National Bk. of Scotland	297,024	83,461	202,607	286,068	70,464
Union Bank of Scotland	327,223	98,321	206,027	304,347	98,444
Edinburgh & Glasgow Bk.	136,657	44,995	75,469	120,464	34,973
Bkg. Com. in Aberdeen	88,467	25,823	71,716	97,540	30,788
Aberdeen Town & Co. Bk.	70,133	21,496	57,562	79,058	19,452
North of Scotland Bk. Co.	154,319	41,846	94,342	136,188	19,669
Dundee Banking Com..	33,451	5,236	20,190	25,427	5,501
Eastern Bk. of Scotland	33,636	7,946	22,586	30,532	7,391
Western Bk. of Scotland	337,938	91,979	276,872	368,851	144,387
Clydesdale Banking Co.	104,028	18,472	72,501	90,973	29,283
City of Glasgow Bank ..	72,921	41,150	56,990	98,140	52,802
Caledonian Banking Co.	53,434	14,091	39,198	53,289	13,723
Perth Banking Company	38,656	15,008	31,569	46,578	14,655
Central Bk. of Scotland	42,933	12,952	29,599	42,552	9,674
TOTALS (Scotch Banks)	3,087,209	959,418	2,201,601	3,161,022	1,082,867

IRISH BANKS.

Bank of Ireland	3,738,428	1,868,475	1,229,950	3,098,425	770,272
Provincial Bank	927,667	332,034	490,499	822,532	421,208
Belfast Bank	281,611	36,283	207,936	244,219	105,244
Northern Bank	243,440	24,453	153,842	178,295	50,962
Ulster Bank	311,079	21,503	201,827	223,331	57,891
National Bank	761,757	219,287	376,645	595,933	237,784
Carrick-on-Suir Nat. Bk.	24,084	6,598	11,330	17,929	4,440
Clonmel National Bank	66,428	20,000	33,252	53,252	16,945
TOTALS (Irish Banks) ..	6,354,494	2,528,633	2,705,281	5,223,916	1,664,746

SUMMARY OF IRISH AND SCOTCH RETURNS TO JANUARY 29th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 29th January, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks .. £5,333,916
Average Circulation of the Scotch Banks.... 3,161,022

Total Average Circulation of these Banks
for the past month..... £8,394,938

On comparing these amounts with the Returns for the month ending 1st January last, they show—

Increase in the Circulation of Irish Banks.. £37,800
Decrease in the Circulation of Scotch Banks.. 180,295

Total decrease last month £142,495

And as compared with the month ending 30th January, 1847, they show—

Decrease in the Circulation of Irish Banks £2,295,510
Decrease in the Circulation of Scotch Banks 439,709

Total decrease on the year £2,736,219

The fixed issues of the Irish and Scotch

Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue £6,364,494
18 Banks in Scotland, allowed to issue .. 3,067,209
—
26 Banks in all, allowed to issue £9,441,703

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue.... £1,120,578
Scotch Banks are above their fixed issue 73,813

Total below the fixed issue £1,046,765

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks .. £1,664,746
Gold and Silver held by the Scotch Banks .. 1,082,867

Total of Gold and Silver Coin £2,747,613

Being an increase of £45,986 on the part of the Irish Banks, and a decrease of £25,180 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO JANUARY 29th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 29th January, 1848.

Circulation of Notes for the Month ending January 29th, as compared with the previous month :

	Jan. 1, 1848.	Jan. 29, 1848.	Increase.	Decrease.
Bank of England.....	£17,956,761	£18,977,446	1,020,685	—
Private Banks	3,528,273	3,745,700	217,427	—
Joint Stock Banks	2,410,222	2,534,835	124,613	—
Total in England.....	23,895,256	25,258,001	1,362,745	—
Scotland.....	3,341,317	3,161,022	—	180,295
Ireland	5,196,116	5,233,916	37,800	—
United Kingdom.....	£32,432,689	£33,652,939	1,220,250	—

The comparison of the month ending January 30, 1847, with the month ending January 29, 1848, shows a decrease in the Bank of England circulation of £1,668,709, a decrease in Private Banks of £942,082, and a decrease in Joint Stock Banks of £733,048; being a total decrease in England of £3,343,839; while in Scotland there is a decrease of £439,709; and in Ireland a decrease of £2,025,510. Thus showing that the month ending January 29th, as compared with the same period last year, presents a decrease of £3,343,839 in England, and a decrease of £5,809,058 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending January 29th, gives an aggregate amount in both departments of £12,992,272. On a comparison of this with the Return for the month ending January 4th, there appears to be an increase of £977,690; and as compared with the month ending January 30th, 1847, being the corresponding period last year, there is a decrease of £657,788.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 29th January, was £2,747,613, being an increase of £20,806, as compared with the preceding month, and a decrease of £981,480, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

APRIL, 1848.

THE PANIC ON THE CONTINENT.

At the time of the publication of our last Number, the intelligence had just reached England of the extraordinary Revolution that had taken place in France, by which the monarchy in that country had been overthrown, and a Republic established in its place. It was uncertain at the time we wrote whether this result had been effectually accomplished, but subsequent events soon proved that the change was complete. The occurrences that have since occurred are unparalleled in history! The revolutionary principle has spread throughout Europe, producing the most unexpected changes of government; and the French have adopted and are now attempting to work out a new social theory, opposed altogether to all the established rules of political and social science. The subjects of nearly all the German States have thrown off the allegiance to their Sovereigns, or have demanded and obtained such radical alterations in their political institutions as must for the future altogether alter their political condition. These changes have, as might be expected, been accompanied by a monetary panic on the continent unequalled by any that has occurred during the last thirty years of peace, and productive of the most disastrous results to banking and commercial interests. It does not fall within our province to comment on the political events of the time, but we shall endeavour to present a faithful record of the chief incidents of the monetary crisis.

The immediate effect of the French Revolution on the quotations of the French funds will be seen from the following list of prices:—

On Wednesday, the 23rd of February, at the close of the day before the abdication of the King of the French :—

	f.	c.
The Five per Cents. were at	116	75
The Three per Cents	74	10
The Bank of France	3,180	00
Orleans Railway	1,185	00
Rouen Railway	863	00
Northern Railway	542	50

On Wednesday, the 7th of March, after having been closed for twelve days, the Bourse opened at the following rates :—

	f.	c.
Five per Cents.	97	50
Three per Cents	58	00
Bank of France	2,400	00
Orleans Railway	1,000	00
Rouen	550	00
Northern	390	00

On Monday, the 20th of March, the prices were as follows :—

	f.	c.		f.	c.
Five per Cents	72	00	or a fall of	44	75
Three per Cents.	51	90	„	23	10
Bank of France	1,650	00	„	1,630	00
Orleans Railway.	600	00	„	495	00
Rouen ditto	415	00	„	448	00
Northern ditto	337	60	„	205	00

The want of confidence indicated by the continued fall in the quotations up to the present time, is chiefly attributable to the acts of the French Provisional Government.* No doubt the sudden overthrow of an old established order of things would have produced a severe shock to public confidence; but the decrees which the Provisional Government have issued, have shown such an utter disregard of the ordinary guarantees for the good faith of a nation, that we need not be surprised at the

* The Provisional Government, who assumed the executive powers on the abdication of the king, was composed of the following members:—Messieurs Dupont (de l'Eure), Lamartine, Cremi  ux, F. Arago, Ledru Rollin, Garnier P  g  s, Marie: with four secretaries, who are MM. Armand Marrast, Louis Blanc, F. Flocon, and Albert.

The first act of the Provisional Government was to nominate the ministry, which was composed of MM. Dupont (de l'Eure), president; Lamartine, minister of foreign affairs; F. Arago, to the navy; Ledru Rollin, to the home department; Goudchaux, to the finance; Cremi  ux, to justice; Marie, to public works; Carnot, to the public instruction; Bethmont, the trade offices; Subervie, to the war office.

M. Goudchaux subsequently resigned his office of minister of finance, which was undertaken by M. Garnier P  g  s, the then mayor of Paris.

General Cavaignac was named governor-general of Algeria; M. Garnier P  g  s, mayor of Paris, with MM. Guinard and Recurt as his assistants. M. de Courtais, commander-in-chief of the National Guards of Paris and the Seine department.

Two elements exist in this government, The moderate democratic party, of the '*National*' newspaper, is represented by MM. Lamartine, Marie, and Armand Marrast; and the ultra-radicals of the '*R  forme*' newspaper, by MM. Ledru Rollin, Arago, Flocon, and Louis Blanc. Every one in Paris knows the true cause of the nomination of M. Goudchaux, the banker, as minister of finance. He had in his possession bills of M. Ledru Rollin for the sum of 22,000f.; these bills had been dishonoured, and M. Ledru Rollin was vainly seeking everywhere to borrow money in order to pay them. But he received them back, as he had caused M. Goudchaux to be named minister of finance.

result. The more important of those decrees and the circumstances attending them we shall present in chronological order; and as this will be the most convenient form for exhibiting the chief features of the crisis, we shall briefly notice the principal mercantile failures, and other monetary occurrences, in the same way in our usual "Summary of the Money Market."

The first financial decree of the government requiring notice was that relating to the savings' banks, and the *non-payment of savings' banks depositors*. A run having taken place on the savings' banks, the Provisional Government issued a decree, by which it was decided that not more than 100 francs *in coin* should be paid to any depositor; but that the balance due to him should be payable in treasury bills, and 5 per cent *rentes* at par (the market price being at the time under 80 per cent!) This confiscation of the property of the savings' banks depositors increased the panic and want of confidence; notwithstanding the rate of interest to be paid by the savings' banks was raised to 5 per cent. The public accordingly withdrew the balances belonging to them in the hands of their bankers, and brought the latter to a state of temporary insolvency; and this led to a run upon the Bank of France itself. The particulars of the separate bank failures we quote hereafter; but the suspension of cash payments by the National Bank is an event which requires to be described more fully.

Suspension of Cash Payments by the Bank of France.—In consequence of the continued run on the Bank of France for payment of its notes in coin, the governor addressed the following communication to the government.

Paris, March 15.

"Monsieur le Ministre—I have had the honour of giving you an account, day by day, of the operations of the bank. You have been pleased to appreciate the efforts which it has made to support the transactions of commerce and the public credit. From the 22nd of February to the 15th of March, that is to say, in fifteen business days, the bank has discounted in Paris the sum of one hundred and ten millions. Of the one hundred and twenty-five millions which it owed to the treasury, it has paid seventy-seven millions. We do not include in that sum eleven millions placed at the disposal of the treasury in different banks, to meet the urgent necessities of the public service in the departments of the Var, Bouches de Rhone, Gard Herault, &c. Besides this, the bank has discounted forty-three millions in the towns in which it has branches, and it has also supported the trade of Angoulême, Bescancon, Caen, Mulhausen, Strasburg, &c. By discounts at Paris it has endeavoured to prevent the suspension of payments in the departmental banks of Rouen, Havre, Lille, and Orleans. The bank of Marseilles has been aided by the branch at Montpellier. The promptitude and the largeness of these operations of the bank gave us the hope of overcoming the crisis, and we flattered ourselves with that hope till this day. We should probably have succeeded, but for the extraordinary and exaggerated demands occasioned by fear. In the interval between the 26th of February and the evening of the 14th of March the amount of cash in the bank coffers in Paris diminished from one hundred and forty

millions to seventy millions—that is to say seventy millions. This morning the panic declared itself. The holders of notes presented themselves in crowds at the bank. New counters were opened to facilitate the accelerated operations. More than ten millions have been paid in cash. There only remains at Paris this evening fifty-nine millions. To-morrow the crowd will be still greater; and in a few days the bank will be entirely unprovided with specie. In these grave circumstances, we are obliged to have recourse to your vigilant and energetic solicitude, and to that of the government.

“The council-general of the bank, deliberating on this state of affairs, has directed me to submit to you, the proposition to demand of the Provisional Government the following dispositions:—

“ ‘Until further orders, notes of the Bank of France and of its branches shall be reputed legal money. The Bank of France will not be bound to reimburse them in cash.

“ ‘The bank of France is authorised to issue notes of two hundred francs. The maximum of the total circulation of the bank of France and its branches cannot exceed three hundred and fifty millions.

“ ‘The bank of France will publish every eight days its situation in the *‘Moniteur.’* Receive, Sir, the assurance, &c.

“D’ARGOUT.”

On the receipt of this letter, the Provisional Government issued the following decree:—

“Considering that for some days the demands for reimbursement at the Bank have been such as to threaten to exhaust the reserve of the specie;

“Considering that such a state of things places the Bank in the alternative of either completely suspending its discounts, or obtaining authority to no longer make its payments in cash;

“Considering that the suspension, or even the restriction of discounts by the Bank, will strike a disastrous blow at industry and commerce;

“Considering that such suspension would lead to a cessation of labour, and that it would plunge the working classes into misery; and whereas, far from permitting such a suspension or restriction, the government of the Republic wishes to give to that establishment the means of furnishing to industry and commerce the powerful instruments of credit; and whereas it is indispensable to preserve at Paris the specie belonging to the Treasury, and which is lodged in the Bank; and whereas, the really prosperous situation of the Bank, and the guarantee formally stipulated of the limitation of issue, give to the public every desirable security,

“On the proposition of the Minister of Finance, decrees:—

“Art. 1. From the date of this decree, notes of the Bank of France shall be considered a legal tender.

“Art. 2. Until a fresh order, the Bank is released from the obligation to pay its notes in cash.

“Art. 3. In no case can the issue of the Bank and its branch establishments exceed 300,000,000f.

“Art. 4. To give facilities to circulation, the Bank of France is authorised to issue *coupures*, which cannot be under 100f.

“Art. 5. The provisions of the present decree are applicable to the branch establishments in the departments.

“Art. 6. The Bank of France will publish the state of its affairs weekly in the *Moniteur*.

“Signed by the members of the Provisional Government, and countersigned by the Secretary. Paris, 5th March, 1848.

"The following is the official statement of the condition of the Bank, at 15th March, 1848:—

"DEBTOR.		Francs.	C.	"CREDITOR.		Francs.	C.
Capital .. ..	..	67,500,000	0	Cash in coin and ingots ..	..	59,543,509	38
Reserve .. ..	..	10,000,000	0	Cash in branch banks ..	..	64,300,000	0
Reserve in landed property ..	..	4,000,000	0	Commercial bills, due 16th inst. .. ..	..	5,676,199	11
Bank-notes in circulation ..	..	283,804,260	0	Commercial bills discounted .. ..	..	252,645,351	87
Ditto of branch banks ..	..	9,800,000	0	Ditto of branch banks ..	..	50,732,259	46
Ditto to order .. ..	..	2,035,262	10	Advanced on ingots ..	..	3,050,600	0
Treasury account current creditor .. ..	..	42,255,092	03	Ditto on French Government securities ..	..	13,203,482	90
Sundry accounts current ..	..	81,617,659	59	Due by branch banks ..	..	9,800,000	0
Receipts payable at sight ..	..	1,881,000	0	Government securities in reserve .. ..	..	10,000,000	0
Bills re-discounted ..	..	728,692	37	Ditto available .. ..	..	11,660,197	89
Dividends payable ..	..	423,444	25	House and furniture of the Bank .. ..	..	4,000,000	0
Sundry expenses ..	..	2,177,288	29	Interest in the Bank of Algiers .. ..	..	1,000,000	0
Algiers Bank ..	..	1,069,097	19	Bills unpaid .. ..	..	524,747	66
Drafts on branch banks payable .. ..	..	732,278	49	Amount of Government stock sold to Russia unpaid .. ..	..	1,807,389	31
Sundries .. ..	..	39,601	27	Expenses of the Establishment .. ..	..	280,976	10
				Sundries .. ..	..	18,962	0
		488,243,675	58			488,243,675	58

"Certified, Paris, 15th March, 1848. The Governor of the Bank of France, D'ARGOUT."

In conformity with the decree above quoted, the Bank of France has since published the following, being the first weekly statement of its affairs since the suspension of cash payments.

State of the Bank of France, to the evening of the 22nd of March.

ACTIF.		fr.	c.	PASSIF.		fr.	c.
Silver in coin and ingots ..	..	56,165,639	14	Capital .....	..	67,900,000	00
Silver in the Branch Banks ..	..	52,078,877	00	Reserve .....	..	10,000,000	00
Bills due .....	..	9,743,050	96	Immoveable reserve .....	..	4,000,000	00
Bills and acceptances in Paris .....	..	245,716,044	02	Notes to bearer in circulation .....	..	274,882,800	00
Ditto in the branches ..	..	55,442,987	23	Ditto of branches .....	..	11,194,750	00
Advances on coin and ingots ..	..	2,903,300	00	Ditto to order .....	..	2,002,652	10
Advances of French public effects .....	..	12,741,983	23	Account current of the Treasury creditor .....	..	10,759,754	94
Due by the branches, by their notes in circulation ..	..	11,194,750	00	Divers accounts current ..	..	77,272,963	49
Rentes in reserve .....	..	10,000,000	00	National Discount Bank, credit produced by effects discounted .....	..	1,089,709	35
Rentes, disposable funds ..	..	11,660,197	89	Receipts, payable at eight Re-discount of the last six months .....	..	3,043,100	00
Buildings and furniture of the Bank .....	..	4,000,000	00	Dividends payable .....	..	728,692	37
Interest in the Algiers Bank ..	..	1,000,000	00	Discounts, divers interests, and expenses .....	..	346,766	25
Interest in the National Discount Bank .....	..	200,000	00	Bank of Algiers, sum not yet employed in <i>bons du Trésor</i> .....	..	2,676,386	86
Effects on sufferance or to be reimbursed .....	..	2,704,274	15	Drafts of the Branch banks payable .....	..	1,069,097	19
Cash to be received from the sale of rentes to Russia ..	..	1,327,887	75	Miscellaneous .....	..	1,017,198	47
Expenses of administration ..	..	280,962	75			193,240	85
Miscellaneous .....	..	17,128	68			477,177,093	87
		477,177,093	87			477,177,093	87

Paris, March 22, 1848. D'ARGOUT, The Governor of the Bank of France.

The immediate effects of the suspension of cash payments by the bank was to improve, in a slight degree, the quotations of the funds in the French market; but the notes of the Bank declined considerably in value as compared with specie.

"At the money changers, all day, when any demand was made to obtain silver for a Bank of France note, the reply was invariably, 'We have no change!' If the price was asked for changing, the answer was, 'Oh, as usual, only 15c.' But if the demandant declared that he must absolutely have change at any sacrifice, silver could be found for 100f. on each note of 1,000f., the sum given for it being 900f."

In authorising the suspension of cash payments by the Bank, the government no doubt acted on compulsion. If they had not sanctioned the measure, the Bank would have been drained of all its specie, and would then have stopped under more disastrous circumstances. But the fact of the suspension shows the entire want of confidence existing, and will explain the cause of failure of the expedients subsequently resorted to by the government with the view of mitigating the monetary pressure.

Establishment of Discount Banks.—In consequence of the alarming condition of the trade of the country, and the continued failures which occurred daily, the government determined on establishing Banks for discount throughout the country, which it was hoped would enable the merchants and traders to obtain accommodation, and thus meet their obligations. Two decrees were published, establishing these banks. The first sets forth that,—

"Considering, that in consequence of recent events, considerable difficulty exists in the means of private credit, and that that difficulty affects especially manufactures and retail commerce, it is necessary to give the example of one of those fruitful associations which, by uniting strength, secures to all the benefit of credit, and the guarantee of labour," it is decreed:—

"Art. 1. That in all industrial and commercial towns there shall be established a national discount bank, destined to increase credit, and to extend it to all the branches of production.

"Art. 1. These banks shall have a capital of which the amount shall vary according to the necessities of the localities.

"Art. 3. The capital shall be formed in the following proportions:—

"1. A third in cash by the associating subscribers.

"2. A third in obligations by the towns.

"3. A third in *bons de Trésor* by the State."

The second decree is with respect to the establishment of a discount bank in Paris, and is to the following effect:—

"Resolved:—1. There is established in Paris a national bank of discount, for the purpose of giving the means of credit to trade and industry.

"2. The bank shall have a capital of twenty millions.

"3. The trade of Paris has subscribed for a third of that sum. The city of Paris has promised the second third in obligations. The State will contribute the remaining third in *bons de Trésor*.

"4. The statutes of the bank shall be published, and it will enter immediately into its functions."

It will be observed that two-thirds of the capital of these banks are to consist of bonds of the towns where the banks are established, and government securities; and the banks' issues would therefore necessarily consist of inconvertible paper, chiefly of the Bank of France. It was remarked, with much truth, that

"The inevitable result of such an extensive addition of Treasury notes, and of municipal securities, would seem to be a depreciation in their current value, and in that correspondingly of all public security. As discount accommodation, to be of any real service in France, must be afforded in specie, it is difficult to understand how, without an immense cost, the treasury and municipal paper can be turned into francs."

At the time we write, the effect produced by the establishment of these banks of discount has not had time to exhibit itself. They have had no influence apparently in raising confidence, for the Provisional Government have been obliged to adopt other measures, "with the view of sustaining credit," but which, to commercial men here, seem calculated to destroy it altogether.

The chief of these measures has been a decree postponing the payment of bills of exchange for ten days, from 23rd Feb., and subsequently for fifteen days; and directing the law courts to *suspend proceedings on all claims for three months*, so as to prevent creditors taking any steps for the recovery of their debts in the meantime.

This decree has provided, that in cases where legal proceedings shall be thus suspended, an assignee is to be appointed to superintend the affairs of the debtor; but the measure is regarded almost as a declaration of national bankruptcy.

"We may assume," says the *Times*, "that for a quarter of a year at least the French people have entirely suspended payments. Whether after that period of immunity, and after the confusion into which all things will have been thrown by the abandonment of manufactories, the flight of capitalists, the repudiation of contracts, and all the other evils which will have been in progress, old liabilities will revive and be restored to the sacred position they are now supposed to hold, is a point upon which even the most sanguine would hardly venture to express a favourable anticipation."*

The subsequent measures of the government for the purpose of "restoring confidence" have been marked by the same violation of established custom and law. In order to facilitate the operations of the banks of discount, which have no real capital, the state has undertaken to *make advances to merchants in Treasury notes, on the deposit of merchandize*; these notes being discountable at the discount banks in inconvertible paper. A decree has also been issued repealing the law which required the names of *three* parties to all bills discounted by the bank of France. In future the names of the drawer and acceptor, if accompanied

* At the time we are writing advice has been received from Paris, that on the 25th March (when the bills on which time was allowed became due), no fewer than 12,000 had been protested for non-payment!

by a Treasury note issued on the deposit of merchandize, is to be sufficient.

The Provisional Government have it in contemplation, it is said, to purchase up the shares of all the railway companies, paying the shareholders in national stock; but as this can hardly be effected, except by the actual confiscation of private property, it will not, perhaps, be insisted on at present. It is not probable that shareholders will give up a tangible security for French rentes at an enormous discount, and which may at any time be repudiated by the "National Convention" about to be assembled, or even by the Provisional Government itself.

In our summary of the money market for the month, on another page, we have shown the effect which the present state of affairs in France has had on the value of our own, and French securities; and we have there given a list of the chief continental failures. We fear that the crisis has not yet reached its height. A general disturbance of the peace of Europe seems imminent; and the financial difficulties of the French government may, it is feared, even hasten such a calamity.

The last advices from Paris, at the time we are writing, gives the following description of the actual condition of affairs there:—

"There is nothing that shows the slightest improvement in the mercantile world. Commerce is completely at a stand, and does not exhibit the slightest symptom of change. Credit does not exist: capitalists are removing all the property they can from a country of which they cannot foresee the future. The fund belonging to the Government in the hands of the Bank of France has diminished one half, and does not amount to a week's expenditure. Manufacturers are stopping their works, and the unemployed labourers are thrown as an additional burden on the already overburdened finances of the Government. An experiment on the organisation of labour is about to be tried, which in the opinion of all practical men is sure to result in disappointment, and of which the expense will be ruinous. Throughout the whole of France the position is the same. The distress and alarm are as great at Bordeaux, Marseilles, and Lyons, as at Paris. The Government cannot assist, for it is powerless. Its position is nearly as bad as that of the commercial community. The last returns show that all the money it has in the Bank of France does not amount to twenty millions of francs—a sum considerably less than the expenditure of the previous week. The revenues to be sure are coming in, but not in sufficient quantity to meet the outgoings. Thousands of labourers, thrown out of their regular employment by the revolution, look to the government for their work and wages, which it so imprudently promised; and, in fact, the number at present supported by the government, and employed upon works of very doubtful utility, is so great, that their wages amount to six or seven hundred thousand francs a day. What then is to be done? A loan is impossible, for confidence, both public and private is gone. It is even to be feared that the Provisional Government, in the hope of escaping from some of the difficulties by which it is surrounded; may be induced to commit an act of desperation which would plunge all Europe in war; and some see, in the tacit encouragement given to the Belgian, Sardinian and Polish revolutionary expeditions, the commencement of a more open and more direct plan of aggression."

PLAN FOR A DOMESTIC CURRENCY INDEPENDENT OF THE FOREIGN EXCHANGES, AND CONVERTIBLE INTO GOLD.

We understand that the Committee of the House of Commons, which is now sitting to investigate the causes of the late commercial distress, and the influence which the Bank Charter Act had in producing the crisis, have virtually given up the principle of the measure; and in their report to the House, will leave the legislature to determine on the plan which shall be adopted in its stead.

Whether this information is strictly correct or not, it is quite certain that in the presence of the formidable changes which have taken place in the aspect of commercial and political affairs since the committee was appointed, the House and the Country will not suffer the mischievous measure which added so much to the difficulties of the last year, to remain in force much longer. It is important, therefore, that the views of those who have steadily opposed the measure from the commencement, and who too truly foretold the disasters it would occasion, should be clearly brought under public notice, and that their plans and suggestions should receive the attention of which they are deserving. We shall be happy to give them due consideration in the pages of this Magazine.

Of the several plans for avoiding the evils inseparable from any attempt to regulate our domestic currency by the action of the Foreign Exchanges, one proposal has been brought under our notice which is especially deserving of consideration for several reasons. It is the matured suggestion of a gentleman who, to our knowledge, has had nearly forty years' experience in almost every department connected with Private and Joint Stock Banking. He has been an observer of all the great fluctuations in the Money Market during that long period; and from his position he has been able to trace the actual effects of the several manias and panics that have occurred, and to investigate the causes which produced them.

He says,—“Previously to the passing of the Bank Charter Act I submitted to Sir Robert Peel that the proposed measure would not carry out the principles professed, and would necessarily fail.

“The following points were then maintained by me.

“1st. That ‘artificial prosperity’ would arise, from the importation of Gold, which would entail a correspondent issue of Bank-notes.

“2nd. That ‘frantic speculation’ would inevitably follow; which was verified in a twelvemonth by the confessedly frantic Railway speculation.

"3rd. That 'a series of panics' would be the consequence. The truth of this every one will admit from his own experience.

"4th. That the Bank of England would be the first to feel the evil of the Bank Charter, and would be unable to discount for its customers; and consequently that a final Great Panic would occur, in which the public, being deprived of discounts, would be compelled to *withdraw their deposits* from the Bank of England."

Of the plan which the writer now submits, he says, "It will, I trust, show how Sir Robert Peel's principles may be carried out; and, at the same time, how a domestic currency, measured in standard gold, independent of the foreign exchanges, and never in excess nor in deficiency, may be obtained."

Although the plan may be in accordance with some of the expressed currency principles of Sir Robert Peel, it differs essentially in its details, and is wholly opposed to his Bank Charter Act. The writer maintains that no limit should be placed upon the discount of good commercial bills, when a banker is convinced of their *bond fide* character; that the country banks should be permitted to issue, without restriction, on depositing one-fourth of the amount of their issues in gold at a National Bank of Issue—receiving 2 per cent. per annum on the deposit; that a National Bank of Issue should be established independent altogether of Government, but under the control of Parliament; that it should issue notes for £3 and upwards, payable in gold twelve months after date of issue; that these notes should be a legal tender; that the pound sterling should be one quarter of an ounce of standard gold; and that the rate of interest should depend on the market value of gold; the minimum rate being 4 per cent., and the maximum 5 per cent.

Such are the leading principles of the writer's plan, the arguments by which it is supported will be found in the following statement:—

"In his speech on May 6th, 1844, Sir R. Peel stated, that gold being the least fluctuating commodity and the universal equivalent, he would continue it as the measure of value, and treat it as all other commodities are treated. The profession is good. Had he taken so much gold as was required for a measure of value, and left the remainder to obtain the market price, he would have acted up to his principles: but, by the provisions of his bill, he has, in my judgment, failed so to do. I mean that the constitution of the Bank of England as fixed by Sir R. Peel is at variance with his declared intentions. For since the sole duty of a Bank of Issue is to pay its notes in gold, it is plainly injurious to the Bank of England if it be burthened, as it is, with the additional functions of dealers in bullion. To *compel* the Bank to buy gold at all times from the whole world, at a fixed price, and to sell it upon the same conditions, is as consistent as to require the Bank to buy cotton in the same way; when, if it were to fall in price, the bank would bear the loss; and if it were to rise, the notes issued would be returned to the Bank, without paying

any interest, and the cotton would be sold for the profit of the speculator. Why should not importers of gold deal with it as with every other imported commodity? The Bank of France *buys* only so much gold as it requires to supply its wants; but *lends* its notes upon bullion deposited with it, charging interest: * and so, I contend, should the Bank of Issue, which I advocate, act.

There is also one other feature in the present mode of trading in gold on which I will offer a remark. Importers of bullion have now the option of taking all their gold to the Mint to be coined into sovereigns; but I am unable to perceive why they alone should have the power of increasing the circulation of the country. I would suggest that such power be not allowed unless gold be scarce, or worth more than £4 per oz. (The reason why I say £4 per oz. is shown below.) Again, when gold is at, or under, £4 per oz., I would have the importers of bullion borrow from the Issuing Bank upon the deposit of their gold and silver, as is the custom in France.†

From these brief preliminary observations I proceed to explain :

- 1st. How a requisite amount of domestic currency may be supplied ;
- 2nd. How it may be maintained unaffected by the Foreign Exchanges ; and
- 3rd. How the necessary sum in gold is to be provided.

1st.—The first object can be effected by the establishment of a National Bank of Issue, issuing notes which shall be a legal tender between individuals, as the present Bank of England notes are, and at the end of one year from their issue, payable on demand in ounces of gold ; the £ sterling being $\frac{1}{4}$ oz. of gold.‡

The notes to be issued for £3, £4, £5, £10, and other larger sums as at present. The following being engraved on the back of each note :—

£3 note is $\frac{3}{4}$ oz. of Standard Gold				£40 note is 10 oz. of Standard Gold			
4	"	1	"	50	"	12 $\frac{1}{2}$	"
5	"	1 $\frac{1}{4}$	"	100	"	25	"
10	"	2 $\frac{1}{2}$	"	500	"	125	"
20	"	5	"	1000	"	250	"
30	"	7 $\frac{1}{2}$	"				

Bank-notes, in anticipation of the quarterly sum due by the public in taxes; say £13,000,000, might be issued quarterly in payment of the public dividends and current expenses of the Government, the Bank of Issue receiving from the Government £13,000,000 of Exchequer bills as a permanent deposit. A further sum of £10,000,000, *more or less*, in bank-notes, might be issued to the London bankers, bill brokers, and merchants, for the discount of bills not having more than three months to run, which notes would be returned within three months in due payment of those bills. Hereby would be established a circulation of about £23,000,000, which amount would necessarily be increased or diminished in exact accordance with the increased or diminished transactions of the country.

* The custom is to charge $\frac{1}{4}$ th per cent. for any number of days not exceeding 30.

† "Does the demand for gold from France produce a scarcity of money in France?—No.

"Why is that?—Because the gold is in general in private hands; it is *merchandise there*."—N. M. Rothschild's evidence, 1832.

‡ "The meaning of a 'Pound' is neither more nor less than a certain definite quantity of gold."—Sir R. Peel's Speech, 6th May, 1844.

I am aware that the sovereign contains 123 grains of standard gold, but I consider that it would be coined for the future exactly at $\frac{1}{4}$ oz. i. e. 120 grains. I suggest this not as an essential but as a convenient alteration.

The Bank of England notes now in circulation would have to be called in, as their place would be supplied by the notes of the proposed National Bank of Issue. I suggest, further, that this National Bank should be administered by commissioners, *independent of the Government*, to be controlled by an Act of Parliament. To illustrate the principle involved in the Bank contemplated, let me suppose it established, and in operation, on the 1st of January, 1848. The Government would require to borrow from it £13,000,000 sterling, to pay the dividends and current expenses of the quarter, and would deposit Exchequer bills to the same amount. The annexed statement will give a full explanation:—

First Quarter.

LIABILITIES.		ASSETS.	
1848		1848	
Jan. 1. National Notes transferred to the Government Bankers (the Bank of England) to pay dividends and Current Expenses	£13,000,000	Jan. 1. Exchequer Bills received from Government as security for National Notes to pay Dividends and Current Expenses	£13,000,000
		March 31. Gold, and Bank of England Notes exchangeable into Gold, received for Taxes for the Quarter	£13,000,000

Second Quarter.

April 1. National Notes transferred, &c. &c.	£13,000,000	June 30. National Notes received in payment of Taxes for the Quarter	£13,000,000
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It will be seen that all future quarters must be a repetition of the second quarter, and it will likewise be seen that the liability of the National Bank for notes issued amounts to £13,000,000.

LIABILITIES.		ASSETS.	
National Notes issued....	£13,000,000	Gold.....	£13,000,000
		Exchequer Bills.....	£13,000,000
		Held in deposit as security for advances of national Notes, to pay Dividends and Current Expenses.	

But as it must be evident that £13,000,000 national notes kept in circulation are not sufficient for the Home Barter of Commodities, the Bankers and others of London will have the power, as above expressed, to send in, to the full extent of their wants, commercial bills for discount, bearing their indorsement or guarantee. For example,—

LIABILITIES.		ASSETS.	
National Notes issued against Bills discounted	£10,000,000	Commercial Bills not exceeding three months to run, say (more or less as required)	£10,000,000

We here may perceive that these notes *cannot* stay in circulation beyond three months, for they must return to the National Bank in payment of the bills discounted, except to the *extent* of the London Bankers availing themselves of the privilege of keeping their accounts with the National Bank.

DISCOUNTED BILLS DEPARTMENT, 1848.

	Notes issued for Bills Discounted.	Notes received back for Bills falling due.
During the Month January ..	£5,000,000	nil
„ February ..	5,000,000	nil
„ March ..	5,000,000	£5,000,000

The amount of Notes issued for Discounted Bills would vary with commercial wants.

It is further contemplated that country bankers shall deposit with the National Bank of Issue one-fourth of their issues in gold. For example,—

Ireland issues	£6,000,000	
Scotland „	3,000,000	
England and Wales	8,000,000	
		£17,000,000
A further issue of £3 and £4 notes, dis- placing gold }	15,000,000	
		<u>£32,000,000</u>

One-fourth of which amounts to £8,000,000.

If a bank should fail whose issue amounted to £100,000, the National Bank would pay to its note-holders £25,000 in national notes. If the vacuum made should be filled up by another bank, it would be required to pay into the National Bank £25,000 in gold to be added to the £8,000,000 gold already in deposit.

We now take the total liabilities of the National Bank, and find them to be—

LIABILITIES.	ASSETS.
Due for National Notes issued to pay Divi- dends	Gold
£7,000,000	£7,000,000
Do. Current Expenses ..	Gold
6,000,000	6,000,000
Do. for Discounts	Commercial Bills
10,000,000	10,000,000
Due to Country Banks ..	Gold
8,000,000	8,000,000
„ to Government	Exchequer Bills
13,000,000	13,000,000
<u>£44,000,000</u>	<u>£44,000,000</u>

The public would not be deprived of the power of demanding gold in payment of their dividends, but I imagine that the superior convenience of the £3 and £4 notes and of notes generally, would render persons indisposed to require payments in gold to any extent. I conceive that persons would not discount their bills to obtain this currency but for domestic barter. The intention is, that the currency be purely domestic, and not liable to be exported: and herein is its peculiar advantage. *Such a currency can be supplied at all times to the full extent of commercial wants: it can never be in excess, and never deficient;* for it is, in fact, only the medium to enable the public to barter their commodities. The working of the plan would be that when currency was abundant the bankers and others would cease to apply for discounts at £4 per cent.; and when it was scarce, they would make application for them with the certainty of having their wants supplied.

The large profits which will necessarily be made, might be invested in 3 per cent. Consols, a portion of which could be cancelled periodically in reduction of the National Debt.

Mr. J. L. Grefulhe in his evidence before the Bullion Committee said, “I conceive, that as long as bills of undoubted solidity are sent into the Bank for discount, the Bank are fully justified in issuing their notes against those bills, without any fear of the amount of their currency becoming excessive.” The following we extract from the ‘Bullion Report’ itself, p. 21: “The Bank of England directors, as well as some of the merchants who have been examined, showed a great anxiety to state to your committee, a doctrine of the truth of which they professed themselves to be most thoroughly convinced, that there can be no possible excess in the issue of the Bank of England paper, so long as the advances in which it is issued are made upon the principles which at present guide the conduct of the directors, that is, so long as the discounts of mer-

cantile bills are confined to paper of undoubted solidity arising out of real commercial transactions, and payable at short and fixed periods. That the discounts should be made only upon bills growing out of real commercial transactions, and falling due in a fixed and short period, are sound and well-established principles."

Gold being a *commodity*, must, as Sir Robert Peel asserts, be liable to the same laws as all other commodities, viz., demand and supply. If the National Bank of Issue and other banks require gold to preserve the integrity of their notes—if merchants want gold to remit abroad for the balance of trade—if loan contractors want gold to lend to foreign governments, they severally should purchase in the bullion market, at its then value, the supply of their wants, just as they would procure any other *commodity*. Gold, as a *commodity*, was at all times to be purchased during the period of the cash suspension; and, as an evidence of this fact, I may refer to Mr. Merle's answers, in the Report of the Bullion Committee of 1810, p. 52. Mr. Huskisson truly said, that if gold were wanted for any of these purposes, and if it should rise at any time to £4 10s. the ounce, then £4 10s. must be given. *But if gold were released from all artificial restrictions, it would maintain an almost uniform value, and the fluctuation would little exceed the expenses attending the transfer from one country to another.* If gold should rise in price in this (properly constituted) market, there would be a determination of gold to this country; if the price should fall, it would seek its full value in other markets of the world.

2ndly.—This currency would be independent of the foreign exchanges.

For the contemplated bank would not have the functions of bullion-dealers, as is now the case with the Bank of England. Hence gold, which in the usual course of trade has a tendency to flow into England, would be bought by the bullion-dealers, and be in turn sold by them to the merchants, whenever it should be required for export. A demand for gold from the bullion-dealers would accordingly enhance its price, and render it dearer to the foreign merchant, when he might require it, than our manufactured goods. He would thus be induced to accept merchandize in place of gold, with which he could trade, if so disposed, and realise a profit unattainable if he had taken gold; and the exports of manufactures would greatly benefit the British producers. Also, in the proposed system, the bank-note cannot be depreciated. For, suppose that, owing to large purchases of corn, or any other import, gold is in demand, the bullion-dealers will endeavour to increase its price, but in this case, if they succeed in augmenting the price beyond £4 per oz., I propose that the Issuing Bank should charge more than 4 per cent. for discount of bills (which I would have to be their minimum rate), say to 4½ or 5 per cent.

The price of gold then being raised, the representative of gold, the bank-note, becomes affected, yet it is not depreciated, as is seen by considering the similar and even identical case of a dock-warrant for goods. If a dock-warrant for fifty hogsheads of sugar be worth £1,000, and sugar rise in value 10 per cent., the warrant becomes worth £1,100. A bank-note of £1,000, is a warrant for 250 oz. of gold, which at £4 per oz., is worth £1,000; now if gold rise 10 per cent. in value, i.e. to £4 8s. per oz., the £1,000 note becomes worth £1,100, which is a contradiction in terms, and therefore impossible. In order to correct the error that would ensue from this alteration in value of gold, the rate of discount should, I think, be raised to 4½ or 5 per cent. per annum for the time that gold continues above £4 per oz.* For example—

When gold is £4 per oz., the rate of discount should be 4 per cent.

"	above £4	"	"	"	4½	"
"	above £4 4s.	"	"	"	5	"

* When gold becomes worth £4 0s. 6d. per oz. in our currency, it then, as is well-known, becomes profitable to bullion-dealers and others to import gold; so that it is impossible for gold to rise much beyond this price.

Again, that the bank-note is augmented in value the following instance will show. Suppose that A sells goods for £1,000 and draws a six months' bill upon his customer B, which he gets discounted at 4 per cent. By this process A receives £980, but if his bill be discounted at 5 per cent., he receives only £975; hence it is plain that if gold rise in value, the bank-note rises also, because in this case fewer notes obtain the same quantity of goods as before the alteration in the value of gold. When gold begins to recede in price I would begin to lower the rate of discount, but not to less than 4 per cent. per annum at any time. When gold falls to less than £4 per oz. the Issuing Bank and the bullion-dealers will probably lay in a stock of cheap gold, until the foreigner finds that it is unprofitable to remit gold to England, and sends us goods instead; but in this case he must be contented with a lower price for his goods, whereby we obtain foreign goods at a low price as well as gold.

Also the circulation is undiminished in amount by the interference of the Foreign Exchanges.

For, though notes due and over-due should be presented for gold, when gold is needed, as above supposed, for export, and those falling due should be hoarded to obtain gold, and those with a month or so to run should be exported instead of gold, and be due on their return: still, to replace the consequent diminution in number of the notes, *at present irremediable*, I propose that the Bankers and others should be able to go to the Issuing Bank and discount their bills, but that, by reason of the rise in price of gold, 4½ or 5 per cent. discount should be charged them: 5 per cent. being the maximum rate contemplated.

3rd.—Lastly, To provide a necessary amount of gold for the Bank.

It has been estimated that there are in circulation more than £50,000,000 of coined gold occupying the place of £1 notes. Many millions of this gold can be procured for the proposed Bank, by an issue of notes for £3 and £4 each, in addition to the other notes in circulation, the execution of which might be rendered superior to the possibility of forgery. The required amount of gold would thus be raised, and these notes would remain in circulation for the purposes of trade.

Present Plan requires Gold.				Proposed Plan requires no Gold.			
		In Notes. £	In Gold. £			In Notes. £	In Gold. £
The payment of				The payment of			
£3 requires	Gold..	0	3	£3 requires	1 note	3	0
4 "	" ..	0	4	4 "	1 "	4	0
6 "	1 note & "	5	1	6 "	2 "	6	0
7 "	1 " "	5	2	7 "	2 "	7	0
8 "	1 " "	5	3	8 "	2 "	8	0
9 "	1 " "	5	4	9 "	2 "	9	0
£37		20	17	£37		37	0

We see that £17 in gold are required to effect the payment of £37, which is a wasteful expenditure of gold. By the above statement it will likewise be seen that all payments of £3 and upwards, to any amount, may be made without the use of gold.

The loss upon the coined gold through abrasion, now so enormous, would, with the reduced amount of coined gold in use, be proportionately diminished.

I propose that the London Bankers, in addition to the facility of obtaining bank-notes at all times at a moderate rate of discount, shall have the privilege of paying into the Bank of Issue all their due bills and checks upon bankers to the credit of their several accounts. By this economizing process the large amount of bank-notes held by the bankers, city and west-end, to meet the demands upon them, would no longer be required.

I consider that the Provincial Banks should be allowed to issue £3 and £4 notes in order to economise gold and assist the small traders and others. Mr. Huskisson remarks—"The withdrawing of the small notes is a measure suggested by considerations of expediency, which ought to outweigh perhaps the economical advantages which the country derives from the use of them. It is not necessary at present to examine the question in this comprehensive view, although I own that I very much doubt whether country banks might not be allowed to issue notes as low as two pounds."

I propose to abandon all restrictions upon banking, with the exception of prohibiting issues within sixty-five miles of London. It has been proved in the evidence before Parliament, that country bankers can neither increase nor diminish their issues. Mr. Huskisson further remarks—"It is admitted that the country banks cannot make, or permanently maintain in circulation, any over-issues of their paper. On this point there is no difference of opinion in the evidence taken before the Bullion Committee of 1810."

The overtrading fostered by the facilities given by country banks has arisen from the non-issuing banks principally, and not at all from the country issues. The exchanges of the country bankers among themselves twice a-week, and every day at the London agents, effectually prevent over issues.

We find that, as banking accommodation increases in Scotland, its issues diminish. Such will be the case in this country upon obtaining the additional banking accommodation proposed.

Any interference whatever with Scotland I strongly deprecate: their banking arrangements ought to be left to themselves, with the single exception of depositing the amount of one-fourth of their issues in gold, receiving thereon two per cent. per annum interest. In like manner should, in my opinion, the provincial banks be treated. Thus if a failure occurred, five shillings in the pound would be paid immediately; and if the bank (so failing) paid fifteen shillings in the pound, the issue would be paid in full.

At the renewal of the Bank Charter, 1844, the Bank of England reduced their rate of discount from 4 per cent. per annum to 2½ per cent. per annum, and were yet unable to employ their private deposits, amounting to 8 millions; thereby not only losing their profit as private bankers, but causing all other bankers to sacrifice their fair profits of banking. The Bank of England will be the greatest gainer by the new system.

The dreadful losses sustained by this country in buying all imports dear and being compelled to sell exports cheap,* in order to keep gold to sustain the present imperfect system of currency, have, at last, raised a spirit of inquiry among our merchants which I trust will not subside because smooth times have apparently returned, for the same losses will again be sustained, until our trade and commerce go to other nations.

I have, as I think, pointed out a means of supplying an adequate currency

* "Manufacturers and others are obliged to send their goods abroad and to sell at any price.

"A great many people will be obliged, when money gets very scarce, to sacrifice and to sell all their property.

"When you want gold you are obliged to sacrifice a great deal of property to obtain it.

"Gold never rises, but the goods you send abroad for it will be sacrificed.

"Before the panic of 1825 began there were an immense number of bills drawn for corn, wool, &c., and when the Bank found so many of these bills coming, they refused to discount; but about ten or twelve days after, the Bank found it would do no good not to discount, and then they discounted any bills that were sent in, drawn on good houses, to any extent."—*N. M. Rothschild's evidence, 1832.*

clear from the objections which attach to the present system, while I remain, as I have ever been, an advocate of the measure of value in standard gold."

The views advocated in the preceding article are supported by many parties whose position in the commercial world gives considerable influence to their opinions.

Mr. *Bull*, the extensive bullion merchant, says:—

"Gold ought to be treated, like all other commodities, as an article of commerce, and that to the compelling the Bank of England to buy it at all times, whether it requires it or not, at a fixed price, we may attribute in a great measure the severe monetary crises to which we are from time to time subjected."

Mr. *Haggard*, whose position in the Bank of England is well known, and who has had much experience of the action of the foreign exchanges, on which he has written with great ability, also says:—

"I agree in the measure of making the paper issues to be represented by a given quantity of metal, thus leaving the paper to regulate the price. I have preferred silver to gold for this purpose, as a better comparison may be made with foreign nations, and I believe silver has fluctuated less than any other commodity. The standard used in the reign of Queen Elizabeth would have sufficed to the present day. I likewise considered that a larger quantity of gold would be released for commercial purposes; but as the writer proposes to issue small notes (£3 and £4), the convenience of these will withdraw from circulation, perhaps, quite sufficient. I hope most sincerely that an alteration will be made in our present ruinous monetary system, particularly in that part which fixes the price for the purchase and sale of gold, for by it we are made the storekeepers for all the world, and we generally part with gold when most wanted, and receive large quantities which we do not want. When a favourable turn takes place in the exchanges, all is done that is required, and we do mischief in forcing gold into the country after the change has taken place.

"I agree that the royal mint should not be open to the public for coinage; they never take gold to the mint to put into circulation for the accommodation of the public, but for profit only.

We recommend the facts and arguments contained in this Essay to the attentive consideration of the Committee now sitting at the House of Commons, and to all who have a real desire to see the currency placed on a more satisfactory basis than the present. It will no doubt be found objectionable to many theoretical opinions, but we know it represents the views of a large class of bankers and merchants, who have formed their conclusions after mature deliberation and experience.

LETTERS TO A BRANCH MANAGER IN THE COUNTRY,

LETTER IV.

THE LATE PANIC.

MY DEAR MR. BULLION.—It is now generally believed that you have gone off in the Panic. Your last appearance, as far as I can learn, was in a morning paper, some time in October last, and you have not been heard of since. If this be the fact, the litera-

ture of banking has lost one of the most promising of living writers ; for when I last had the pleasure of criticising your claret, what department of banking did you *not* promise a paper upon ? You had then in hand a work on banking (title undetermined) in several volumes, the first volume being already in MS. In the — number you were to enlighten the world on the Physiology of Overdrafts. The Financial Government of Branches was to follow immediately. A Hand-book for Directors, Dialogues on Deposits, a Dissertation on Discounts, and sundry other subjects equally alliterative, had reached “an advanced stage.” In a word, the only check that you apprehended to this prodigious fecundity was the incapacity of the Magazine to contain or keep pace with it. Now, my dear sir, if you really have retired from the literature of your profession, I have respectfully but firmly to request that you will cancel my appointment as one of your literary executors. I ask this, because the worst of commercial failures will be a trifle compared with yours. Against your enormous literary engagements your only assets will be the headings of some dozen articles yet unwritten ! I have written to you six times within the last six months. You have not answered me once. I now trouble you for the last time, but shall always remain gratefully and sincerely yours.

Huggleton, 15th March, 1848.

CHARLES COIGNE.

MY DEAR CHARLES.—I did not “go off” in the Panic, but I was *in* it,—a sufficient reason, I apprehend, for my having temporarily suspended my private correspondence with yourself and others. That you should feel surprised and indignant at my silence only confirms a suspicion which I have entertained for some time, that you gentlemen at the Branches, snug in the quiet and security of your little country towns, were but indistinctly conscious of the storm that in September and October last was shaking your head offices to their foundations. Looking at your own particular Branch and in the countenances of your neighbours for the evidence of panic, and finding none, you inferred perhaps that the storm would exhaust itself long before it reached your neighbourhood. It did not occur to you that *because* London, Liverpool, Glasgow, and other great centres were in agitation and alarm, therefore Huggleton must take fright and have a Panic in a small way of its own. Knowing as you did that the Huggletonians, from time immemorial, had managed their business matters with prudence and discretion, you could not clearly see in what manner they had involved themselves in the affairs of the “suspended firms,” or contributed to the alarming state of the exchanges. You were therefore unprepared

(I find by your letter of November last), for that "merciless burking of overdrafts and contraction of discounts, which made havoc of the business and profits of the Branch."

You had still to learn, then, that the Act of 1844 had linked the whole monetary interests of the country in one chain of causation, and that the shock given to the centre would vibrate to the extremities of the system?

And yet the process is simple enough. A million, we shall say, is abstracted from the bullion (which take at its present amount), and forthwith a million of circulation is cancelled. Money for commercial purposes is thus diminished in volume, and the rate of discount rises. Another million of bullion departs, followed by another million of circulation, increased tightness in the money market, and a further rise in the rate of discount. Bill-brokers now commence the process of "selection," and bankers find a certain class of bills unmarketable, and regulate their transactions accordingly. Private lenders, tempted by the high rate of interest, now appear in the market,—hence an additional strain upon the resources of the banks, in the shape of a drain upon their deposits. About this stage the coming Panic is heralded by a conspicuous failure or two. The drain upon the bullion continuing, accompanied by a steady and general withdrawal of deposits, and an unabated demand for discounts, the more cautious bankers take alarm and *strengthen their reserves*. The effect of this fresh and heavy draught upon the diminished currency is withering, and a dozen houses laid prostrate in a single day indicate the march of the crisis. The bullion in the Bank of England sinks at last to ten millions, and the strain becomes intolerable. A powerful bank gives way—others quickly follow, and HOARDING begins. *Exeunt* Confidence and Credit at one end, and enter Loss, Bankruptcy, and Ruin at the other; followed by Sir Charles Wood and his remedy exactly a month too late.

Such was the crisis through which the country passed in September and October last, and passed by a miracle; for at one time we stood on the brink of a calamity which it gives one a qualm to contemplate even from this distance. On the 30th October the following was the position of

The Banking Department.

Deposits and Post Bills	£14,500,000
Notes and Coin	1,600,000

Looking at these figures, and taking them at their true significance, we have but to imagine one day's active "run" upon the private deposits (then about *nine* millions) to have matter for very grave speculation.

Now what has already happened may happen again, and possibly with worse consequences. I, for one, believe that the government letter of 25th October, suspending the operation of the Act of 1844, *alone* saved the country from general bankruptcy and convulsion. The effect was magical,—from the moment the letter appeared the Panic subsided. But we must recollect the concession was wrung from the government. They suspended the Act, but evidently with fear and misgiving, with many reservations and conditions, and an avowed hope that its “principle” would not be violated. Another government might not be so pliant or so prompt. A division in the council—the absence of an important member of the cabinet—an attack of ministerial gout—a thousand accidents might intervene, and a single day’s delay in such an emergency might be fatal.

Now what it concerns you and me, Charles, and all other bankers and men in England to know, is briefly this:—How long is this Act to be suspended over our heads, and only prevented, by the uncertain thread of government interference, from falling upon and crushing us? The theory has been tried—tried fairly—and has fairly broken down. I doubt if there is a more preposterous failure on record. The old woman in the nursery tale with the pig that wouldn’t cross the bridge, the stick that wouldn’t beat pig, and so forth, is not in a more absurd “fix” than England will every now and then be with this impracticable and foolish Act, until it is repealed. Our children should be taught that Bank wouldn’t discount bill, Broker wouldn’t assist Bank, Act wouldn’t relieve Broker, Chancellor wouldn’t suspend Act; until John Bull, by a mere shake of his fist, sends the Chancellor to the Act, the Act to the Broker, the Broker to the Bank, and so on—there being this difference in the sequel however, that whereas the old story lands the heroine safe and sound, the new one lands *us* in the Court of Bankruptcy, or next door to it.

I hold that, to give proper effect to the theory (supposing it good for anything), it must be acted upon by every one through whose hands any portion of the currency passes. Until this is done—until butcher, and baker, and grocer, and draper, and all others, the dealers and chapmen of England, come to recognize and act upon the theory, its most absurd consequences must remain undeveloped.

Now, imagine your sensations, Charles, on receiving along with a new suit, an intimation from your tailor, that he deems it an act of prudence to limit his “operations upon credit” for the present, there being *only* ten millions of bullion in the Bank? Or your customer, Mr. Timms, the grocer, informing a discerning public that “The Business of Timms’s Colonial Emporium

is conducted strictly with reference to the Foreign Exchanges." Why, at this rate, we shall have our wives referring to the last rate of exchange from New York, before they go a-shopping, and regulating their marketings by the position of the Banking Department.

Nevertheless, until the general public become converts to the theory, and learn to act upon it, it will be in vain for us bankers to attempt it. We are the mere recipients of that sum of currency which the public choose to place in our hands, and we distribute it to the best of our several abilities. When the money lent to us is recalled, why, we recall the money which we have lent to others, or suspend,—that is all. But that we can of our own act and deed regulate or control the amount of money which may happen to be afloat in our several districts, I assert to be an impossibility, unless indeed the Act empowered us periodically to levy upon our customers' tills and pockets for such a sum as might be found necessary "to restore the balance of the Exchanges."

If it be true that this country is frequently troubled with an excess of currency—a tendency of money to the head—terminating in commercial apoplexy; it follows, Charles, that in certain states of the currency every third sixpence in your pocket, for all that you know to the contrary, may be in excess of your country's requirements, and the sooner you get rid of it the better. Is it an unfair inference that the "period of an excessive currency" would be *the* period for doubling the Income Tax, and so at once ridding the country of a plethora of cash, and replenishing an exhausted Exchequer?

But, for the present, farewell.

Lady-Day, 1848.

THOMAS BULLION.

COMMERCIAL REASONS FOR THE MAINTENANCE OF PEACE.

THE first fear of the capitalists of Europe, on the intelligence of the success of the French Revolution being made public, was, that war would be an inevitable consequence! The pacific declarations of the chief Continental powers which have since appeared have in some measure re-assured those who were the more alarmed on this point; but, as far as England herself is concerned, a still better reason for believing that no statesman will, if possible, allow this kingdom to be embroiled in Continental disputes is, that we cannot give up our pacific policy of the last thirty years without exposing our commerce and manufactures to most serious injury. Our contemporary, the *Economist*, quotes the following statistics of the condition of our export trade, to show how much of it we must necessarily endanger by

entering upon any war with our neighbours. Referring to the changes consequent on the French Revolution, he says:—

The effects which these new risks and uncertainties will produce upon our commercial interests generally, are worthy of close examination. Some take what we regard as a selfish and short-sighted view of the case. In the actual disturbed condition of France, and the possibility of the same extending to other European countries, they only see disabled rivals, and a removal of some portion of the competition which exists with them in transatlantic markets. They do not see them in the truer light of valuable customers and near neighbours, whose interests, in spite of hostile tariffs on the one hand, and enormous revenue duties on the other hand, are so intimately bound up with our own, that our interests must sympathise with whatever affects or injures theirs. People generally are extremely ignorant of the importance of our trade with the continent of Europe. A general and vague impression appears to prevail that our foreign trade is almost exclusively confined to our own colonies and to the distant markets out of Europe. France, Belgium, and Germany, are usually looked to chiefly in the light of struggling competitors with ourselves. To correct these misconceptions, and to show how deeply the commerce of this country is dependant on the continent of Europe, and how far it would be compromised in the event of any general war, we will place before our readers, under the following different heads, the proportion of our exports to every country in the world in 1846, the last year for which such an account has been prepared—viz., 1, the countries of Europe, including those in Asia and Africa bordering on the Mediterranean; 2, the British possessions out of Europe; 3, the foreign countries out of Europe.

I. DECLARED VALUE of our Exports of BRITISH PRODUCE and MANUFACTURES to the countries of Europe, including those of Asia and Africa, bordering upon the Mediterranean Sea:—

£		£	
To Russia	1,725,148	To Spain and the Balearic Islands	769,793
Sweden	146,654	— Canaries	49,816
Norway	183,818	Gibraltar	605,693
Denmark	340,318	Italy and the Italian Islands	3,391,022
Prussia	544,035	Malta	255,033
Mecklenburg	36,976	Ionian Islands	171,731
Hanover	218,111	Kingdom of Greece	194,029
Oldenburg	25,134	Turkey	1,749,125
Hanseatic Towns	6,326,210	Wallachia and Moldavia	195,154
Heligoland	101	Syria and Palestine	267,618
Holland	3,576,469	Egypt	495,674
Belgium	1,158,434	Algeria and Morocco	48,116
The Channel Islands	414,567		
France	2,715,963		
Portugal Proper	969,757		
— Azores	57,146	Total	26,671,203
— Madeira	39,358		

II. DECLARED VALUE of our Exports of BRITISH PRODUCE and MANUFACTURES to British Possessions out of Europe.

COLONIES.	£		£
Cape of Good Hope ..	480,979	East India Company's territories ..	6,434,456
Mauritius ..	310,231		
St. Helena and Ascension Island ..	28,309	Total of British possessions ..	14,509,261
Australia ..	1,441,640		
British North America ..	3,308,059		
British West Indies ..	2,505,587		
Total of colonies ..	8,074,805		

III. DECLARED VALUE of our Exports to the foreign countries out of Europe.

	£		£
Western Coast of Africa ..	421,620	Mexico ..	303,685
Eastern Coast of Africa ..	5,041	Central America ..	68,500
African ports on the Red Sea ..	350	New Grenada ..	219,593
Cape Verd Islands ..	2,505	Venezuela ..	245,059
Madagascar ..	2,680	Ecuador ..	7,455
Arabia ..	7,822	Brazil ..	2,749,338
Aden ..	14,594	Oriental Republic of the Uruguay ..	153,479
Persia ..	3,091	Buenos Ayres ..	34,002
Sumatra and Java ..	357,918	Chili ..	959,322
Philippine Islands ..	92,806	Bolivia ..	4,493
China ..	1,791,439	Peru ..	820,535
South Sea Islands ..	53,724	The Falkland Islands ..	3,117
Foreign West Indian colonies ..	1,308,933	Russian Settlements on the N.W. coast of America ..	9,448
Haiti ..	136,113		
United States of America ..	6,830,460	Total ..	16,606,412

The *résumé* of the whole being:—

	£
Exports to European markets ..	26,671,203
Exports to British possessions ..	14,509,261
Exports to foreign countries out of Europe ..	16,606,412
Total exports of the year ..	57,786,876

So it appears that while the amount of our exports to the continental countries is little short of *one-half* of the entire exports to all the world, it is nearly double the amount sent to the whole of the British possessions. By referring to the official tables of exports from Great Britain, showing the distribution of some of the chief articles of our manufactures during 1847, it will be seen how very large a portion of them has been taken by continental countries. These tables, moreover, exhibit some very remarkable facts, when we consider them in relation to prevailing impressions and prejudices. For example: Our exports to the Hanseatic Towns alone (of course for the trade of Germany) are about equal to our whole exports to the British possessions in the East Indies; the former being £6,326,210, and the latter

£6,434,456. Again, our exports to France alone are nearly the same as the whole of our West India colonies and the Mauritius included; the former being £2,715,963, and the latter £2,815,818. Our exports to Holland exceed by nearly £300,000 the entire amount of those to the whole British possessions of North America, the former being £3,576,469, and the latter only £3,308,059. Again, our exports to Italy and the Italian Islands also exceed those to British North America; while Turkey is a larger customer by £300,000 a-year than all the British possessions in Australia. But even these remarkable comparisons fall very short of conveying a fair and adequate idea of the real relative extent of these trades; inasmuch as these exports consist entirely of British produce and manufactures, and include nearly the whole of our exports to our possessions abroad; whereas, in addition to the exports here enumerated to the Continent, we further export foreign produce of various kinds, consisting of indigo, sugar, coffee, and other articles, to a very large amount.

A continuance of an unsettled state of affairs in France, therefore, hazards to this country a market for our manufactures equal to that of all our sugar colonies together; while any general disturbance of, or interruption to, the continental countries generally, endangers a trade to this country more than three times larger than that to all our colonies, and nearly double of that to the whole British possessions, including the territories of the East India Company. When these remarkable facts are considered, it is not a matter of surprise that an event which furnishes such grounds for apprehension as to the peace of Europe, should have produced so great an effect in the capital of our manufacturing districts. At the same time, these facts cannot fail to show how close an identity of interests prevails between this country and France, and Europe generally; and how ardently we should strive, even on the narrowest grounds of self-interest, in order to preserve the general peace; and, above all, these facts show how false are the notions which those indulge who see our continental neighbours only as rivals, whose power of competition they would be glad to see weakened.

What is to happen as the result of these great political changes, it would be idle to attempt to foretell. But whatever may occur, there are some important respects in which England is peculiarly circumstanced to avoid any severe loss, or even a sudden panic. The circumstances through which the country has passed during the last twelve months have removed all houses of doubtful credit, and the present extremely low prices at which all articles of importance are held, is the best security against any such sudden fall as would compromise the solvency of those who are holders of such goods. If prices generally had been high at

this moment, much more serious consequences might have been apprehended. Again—the great abundance of money and the low rate of interest, while, on the one hand, they will prevent our public securities falling very low, will continue to afford ample means for all legitimate business that can be undertaken. But, above all things, it is the interest of this country that peace and order should be preserved in France and in Europe.”

AN ENQUIRY INTO THE CAUSE OF THE PANIC IN 1847.

BY “OMICRON.”

(SECOND ARTICLE.)

WE now come to our 2nd section,—“Whether the abstraction of capital was a more direct cause of the Panic?” We define here capital to mean all credits, or moneys, either in the form of banker’s balances, investments in government securities, or cash held. We will leave out of the question entirely stock in trade, although that, as a portion of capital, enables the holder to operate, by the produce of its conversion, exactly in the same way as the conversion of either bank credits or government securities. We will, however, only touch that kind of floating capital which, generally speaking, seeks for better investment. Now, every one knows that if there happens to be a large aggregate of balances with a banker, that he can accommodate more freely than if the total amount held by him was less; and we also know, that if Thomas Noakes, the grocer, has £100 in his cash box to meet any demands made upon him, that he will be more likely to give credit for any articles purchased from his shop than if he had no money therein; and further, if those holding government securities are content with the interest paid to them, the minister is not likely to be compelled to raise the rate of interest allowed by the legislature.

Well, now let us see how these several interests would be affected by an entirely opposite course. Imagine the balances of the banker diminished; he immediately contracts his accommodation; he discounts little, and allows overdrawn accounts still less. Imagine the shop-keeper has invested his £100 in some permanent security, which only realizes him a certain rate of interest, at deferred periods, and he will be compelled to narrow his credits, and sell for cash to meet demands made upon him by his wholesale merchants who supplied him with comestibles. Then imagine that portion of the public which previously invested in government securities, carried to another field

of investment, where the profits are greater; and the natural consequences are produced,—a decrease in the value of funded property, and Exchequer bills at a considerable discount, necessitating an advance in the rate to keep up the credit of government.

In these cases are three powerful elements, which, combined with a deficient harvest in corn, and a short crop in cotton, added to the potato blight, has caused so much distress and misery. But, we are told, in reference to any investment in the kingdom, that no matter what amount of money is spent, the country is not in the least affected. Capital changes hands, but still capital is not annihilated; ergo, there is the same sum of money as before. This is the argument of the railroad speculators; a complete *ignoratio eleuchi*;—let us strip it of its logical embellishments. We will only take the year 1847 as an example of the excessive amount invested in railways, or rather paid up for calls, during a severe monetary crisis. We will not go into the question of 1845 and 1846, feeling that the illustration of 1847 will sufficiently prove the evils which must have resulted from a continuous conversion of *ready* capital, during that perilous time from April to November, 1847.

From January to October 1847, both inclusive, the calls were "Foreign" ..	£5,644,000
Ditto, ditto "English"	31,961,355
<hr/>	
Total paid on Railways ..	£37,605,355
To which must be added the amount paid for importations of Foreign Grain during 1847, (say)	33,000,000
<hr/>	
Total abstraction of <i>ready</i> capital ..	£70,605,355

Now what becomes of this amount paid upon railway shares? According to Mr. Porter, of the Board of Trade, one-fifth passes to the landlord for land upon which the carriages are to run, stations to be erected, and other requisite buildings necessary to the formation of the lines. In so far, that sum is merely an exchange of hands from the banker or pocket of the subscriber to the banker of the landlord. But what becomes of the remaining four-fifths? It passes into the hands of the iron-master, contractor, and others; and they consume a great portion of it in the wages of labour. A stimulus given by the fabrication of railroads increases the rate of wages paid to the navvies employed; and if they were economical, if they accumulated their savings, and invested them in banks, then a portion of the calls would return to the banker. But they are neither economical, nor saving; they live well, and

by their good living increase the imports of cattle, sugar, rum, corn, and other comestibles. Hence we shall owe the foreigner the amount imported. What becomes then of the articles fabricated,—the railway, the carriages, and the station-houses? Are they exportable like a piece of cotton print, or any other manufactured commodity wrought from the raw material? Can they be sold or offered to the foreigner, to form a sum against which may be drawn bills of exchange, in partial or total satisfaction of importations? The railway represents fixed capital, carrying a certain amount of interest, but which cannot be sold to the foreigner like many other finished manufactured productions. Now the finished commodities of the manufacturer require workmen to make them, and these workmen require support; but when the manufactures are completed, instead of having a fixed commodity, they have an exportable article, against the sales of which bills can be drawn.

Here lies all the difference between railways and manufactures. Railways constitute a permanent commodity which cannot be exported, but our manufactured goods are articles expressly formed and made for foreign sale. This fixing, then, of £37,605,355 in ten months, was an abstraction of floating capital from the money market—during the drain of capital for foreign importations—in an extent and proportion greatly exceeding the sum which prudence would have dictated. The violent abstraction of nearly seventy-one millions must have diminished the balances of the banker, the ready metal of Thomas Noakes, the grocer, and has doubtless caused government stock to change hands. Hence, the banker withdrew a portion of his accommodation; the grocer could not pay the *entire balance* due to the merchant; and few purchased Exchequer bills, or other government stock, bearing 3 per cent. interest, when railway securities could be had, paying 5, 6, and 7 per cent. The abstraction of this capital, and its application in too great a proportion to the savings of the country, necessarily caused a severe drain upon that floating capital with which every trader managed his business; and a great evil was that many believed they could always get some assistance from their bankers when they might require it. In ordinary times, and under ordinary circumstances, they could; but the action which caused the trader to become an applicant deprived the banker of his means of assistance. The balance of trade set in against us, and in a short time became so severe, that the cry *saave qui peut* was universal.

We need not follow the course of the panic, our object being merely to point out some of the causes. As a proof that railways were an element in producing an effect so destructive as that witnessed, let us see what these £37,605,355 paid up on railway

shares were previous to their existence. They were distributed into credits in bankers' ledgers, cash-notes in circulation, gold and silver, bills of exchange, current, &c., &c. Those individuals who formerly held in their pass-books a credit for £500, now locked in their cash-box railway shares or scrip to that amount. That sum, had it remained in the hands of the banker, would probably have been invested in bills of exchange. These bills would rarely exceed three months' currency, at the expiration of which time they would probably be honoured, and thus enable the banker to advance upon a fresh set, based upon entirely different transactions. An investment in railways is a security final and permanent, and does not pass so freely as bills of exchange, or mature so quickly. Hence, bills springing from business transactions, coming upon the market, find that these credits which formerly were operated upon for advances to them, now no longer exist, but are transferred to railway companies; therefore, they remain upon the market, and are compelled to submit to the best terms offered. When we consider that England's greatness may be said, figuratively, to rest her gigantic stature as a commercial nation, upon the convertibility of her bills of exchange, we shall not be surprised at the inconvenience and pressure experienced by the "fixing" of so large an amount of capital in so short a period of time. Extend the period, and our savings will accomplish our engagements without injury; insist upon an immediate performance, and the manufacturers must bear the load. The *ready* capital now is less in the hands of both banker and customer; and the latter must labour anew to accumulate the sum he has invested, before we can arrive at a state of things precisely analogous to that which existed previous to 1845.

In connection with the subject of this article we may observe that the pressure for money in London during the crisis in October last, was very much increased by the unnecessary and injurious regulations of the "clearing house." By depriving all the Joint Stock Banks in the metropolis of the advantage of exchanging cheques at the "clearing," the private bankers who enjoy the exclusive privilege of doing so, obliged their Joint Stock contemporaries to retain large sums of cash in hand, which would otherwise have been available for circulation.

This course of proceeding, it cannot be doubted, added very much to the difficulties of the period, and called forth some excellent remarks on this subject, from the Editor of the City Article of the *Times*, which were published subsequently in this Magazine.

ADVANTAGES ATTENDING THE RAILWAY EXPENDITURE.

[The following article, by a gentleman holding an important position in connexion with railways, takes a somewhat different view of the effects of railway expenditure than the article immediately preceding, by "*Omicron*," and the difference of opinion will serve to exhibit the arguments which can be urged on both sides of this question.—ED. B. M.]

THE attempt has been made to induce the public to impute the recent tightness of the money market, and consequent misfortunes of the mercantile community to the expenditure of the Railways. Confident that these have been effected by labour only, with little or no destruction of capital, but only with the aid of currency in its form of circulating medium, I venture to appear as the advocate of the railway system; not that I deny that gross frauds and jobs have been perpetrated; but let the shame and guilt of these iniquities be upon the parliaments which have suffered, and by sufferance encouraged, such things.

I will take the words of Lord Ashburton as the best exposition of these sentiments. They are: "It may be difficult to estimate the amount of the annual surplus capital seeking investment. It is large; perhaps 10, 15 or 20 millions; but it cannot be 50, 80 or 100; for I hardly know where to fix the annual demands of those companies." This passage seems to imply that his lordship believes that sum, though he is ignorant of its amount, to be nearly a constant quantity. Nothing can be more fallacious. The element of all value is labour. When the whole population is engaged in creating products of great value, and labour is very lucrative, the addition to the capital of the country is enormous, and may easily equal the largest sum named. But when a large number of the people is either unemployed, or employed on objects of little value, the savings out of the income of the nation may fall short even of the smallest. In the former case prosperity extends itself rapidly to the agricultural, manufacturing, and commercial communities, by the consumption of food, clothing, and other commodities, for which a market is created; which is checked so soon as profitable labour ceases. Money ceases to circulate; and though all the real wealth remains the same in the country, its multitudes can no longer obtain a share of it, and poverty soon becomes general. When the circulation is quick, a much smaller amount of money performs the functions of a much larger amount when circulating slowly. Hence, with exactly the same sum in existence, prosperity at one time appears general, and poverty at another; and the change from one to the other takes place rapidly, without any appreciable change in the real capital of the country. The construction of the railways has, I maintain, been

effected with little or no loss or diminution of capital, but almost exclusively by the labour of the nation; by labour that would have probably been otherwise wasted and lost; and that the capital, as far as it has been used, has merely been transferred from one hand to another.

To elucidate my proposition, let us assume the case of a railway of forty miles, costing a million; a fair average, on the narrow guage system. Let us analyse this expenditure, and trace its course.

1. Preliminary surveys, parliamentary expenses, printing, incidentals	£ 50,000
2. Land, including sites for stations, conveyances, tenant rights, compensations, &c.	100,000
3. Buildings, stations, termini, warehouses, &c.	100,000
4. Sleepers, including for sidings, extra lines	50,000
5. Iron rails, chairs	125,000
6. Contractors for labour, earthworks, tunnels, &c.	400,000
7. Stock, carriages, locomotives, &c.	175,000
	<hr/> 1,000,000

As to the first item, it may be affirmed that it falls into hands which know how to hold it, and make as good use of it as the shareholders who have advanced it, though it may be difficult to trace it. No one will, I apprehend, contend that the second loses its character of capital, or suffers annihilation by being transferred into the pockets of landlords, lawyers, or tenants. Of the third, perhaps £20,000 may be sent abroad for timber; the remaining 4-5ths consist of the wages of labour, the price of native materials (of the value of which the chief ingredient is also labour), and the builder's profit. None suffers destruction. Sleepers, till lately, were made of British larch and fir, but latterly perhaps half is imported; but of this half a considerable portion of the cost augments the revenue. The cost of the iron must be altogether divided into the labour employed in digging the ore and coals, and in manufacturing the rails and chairs, and the profits of the capitalist. The next item is the largest. This, too, resolves itself into labour and the contractor's profit. As does also the last item, with the addition of the materials, which are for the most part of British growth or manufacture. Of these three latter items at least four-fifths are spent in wages. That the profits of the ironmaster, contractor, and coach-maker are as much capital as the same money while in the hands of the several shareholders, none will dispute. What becomes of the much larger sum laid out on labour? I fear, from my observation, only a small percentage is laid by. The remainder passes almost immediately to the butcher, baker, publican, tailor, shoe maker, &c., and from them to the farmer, miller, brewer, clothier,

currier, &c., and enables them to become capitalists, or is soon transferred to others who are so. It is always in some one's pocket, and soon accumulates into capital. It is surprising how many of these classes have become holders of shares in railways. When the company borrows ("for," says Lord Ashburton, "the eager competition of wealthy borrowers, overbidding each other for every trifle of spare capital, disturbs and distresses every branch of industry") the case is the same. Only, when good investments offer, money becomes more difficult to be obtained by those who have no security to offer or can afford to pay less interest. But if this is an evil to them, is it not a benefit to the public? Also, when a shareholder sells he receives just as much as the buyer pays; the money is not lost but only transferred. And most branches of industry, instead of being distressed and disturbed, are cherished and enriched by the rapid circulation of money, and increased demand for articles of food and clothing.

In these times, when free trade is universally advocated, it surely is not intended to interfere with the employment of capital. Lord Ashburton is imbued with the spirit of his former occupation, and the London press by the atmosphere with which it is surrounded. The merchant grudges the capitalist the power of employing his money more profitably and securely than in commercial speculations; the latter re-echoes the same sentiments, and endeavours to influence public opinion against the railway companies. But "*magna est veritas, et prevalebit.*" Justice and self-interest alike will acquit them."

A. B.

Banking and Commercial Law.

POWER OF DIRECTORS OF JOINT STOCK BANKS TO BIND THE SHAREHOLDERS.

BANK OF AUSTRALASIA v. BANK OF AUSTRALIA.

Judgment of the Judicial Committee of the Privy Council.

THE following statement of the facts in this important case, and of the chief points in the judgment delivered (15th February last), will be read with interest by parties connected with Joint Stock Banks.

It appears that in the beginning of 1843, the Bank of Australia, at Australia, got into great difficulties, apparently by giving most extravagant credit to the firm of Hughes and Hosking and J. T. Hughes. The paid-up capital of the bank was £40,000, its circulation and deposits £113,648, whilst it was under liabilities, on account of the parties named, to the amount

of £152,572. Besides providing for the liabilities of the bank, the directors were desirous of continuing to pay a dividend to the proprietors of 8 per cent. To enable them to do this, they considered that an advance of £250,000 would be necessary, and they applied to the Bank of Australasia for a loan of that amount. After some negotiation, an agreement was at last made between the parties, by which the Bank of Australasia was to advance a sum not exceeding £150,000, at 10 per cent., on condition that the Bank of Australia should cease to be a bank of issue, to do no more business as a bank of discount, and to incur no fresh liabilities; in fact, to cease banking business altogether, and to become a loan company, with a view to the security of its outstanding debts. The £150,000 was accordingly advanced, but subsequently the Bank of Australasia became dissatisfied with the mode on which the debtor's bank acted in carrying out the agreement, particularly as regarded the affairs of Hughes and Hosking. In October, 1843, Mr. Norton became chairman of the Bank of Australia, and on the 9th of that month an application was made to the Bank of Australasia for a further advance of 10,000. This does not appear to have been complied with; but after some negotiations, the appellants consented to allow a further term of twelve months for the payment of their debt; and on the 30th October, 1843, the existing securities held by the appellants were cancelled, but in lieu of them a promissory note was given for £154,000 signed by Mr. Norton, the chairman of the company. It is on this note that the action in this case was brought.

On the 6th of August, 1844, a resolution was passed by the shareholders repudiating the debt, which resolution was communicated to the appellants, and is in these terms:—"That the loan negotiated between the Bank of Australasia, the former directors of this bank, and Messrs. Hughes and Hosking, is not binding on the proprietary of this bank; and that the board of directors be hereby instructed to defend any action that the Bank of Australasia may bring for the recovery of the same."

Payment of the note was demanded in October, 1844, and was refused; and on the 26th of November the present action was commenced. It came on for trial in Australia, on the 17th March, 1845; and the jury being unable to agree, were discharged, according to the provisions of the Colonial Act. It was afterwards tried at bar. The trial began on the 23rd of June, and terminated on the 4th of August, when, after much discussion, the verdict was found for the Plaintiff, subject to the opinion of the court, whether, on the facts proved, the plaintiffs were entitled to recover; the whole to be without prejudice to either parties' right to appeal; and of the three judges present,

one, the chief justice, was of opinion in favour of the plaintiffs; the two other judges were of a different opinion; and a verdict and judgment accordingly was entered for the defendants, the respondents in this case, with costs of the action, which appear to have been recovered from the appellants. From this judgment the present appeal was brought.

The Right Honourable Thomas Pemberton Leigh delivered judgment, and the following is a digest of his argument:—The question is, whether, applying the law to the evidence in the case, the court below has, or not, come to a right conclusion. The appellants have a clear *prima facie* case. The note is signed on behalf of the company by the officer who had authority to sign bills and notes on their behalf, and the amount of the promissory note was advanced to persons professing to borrow, and receive it for the benefit of the company.

The defence is,—The persons borrowing had no authority to borrow money on behalf of the company under any circumstances; but at all events, not under the circumstances, and for the purposes appearing in this case; and the lenders had notice of such want of authority when they made their advances.

Much discussion took place at the bar, and many cases were cited with reference to the power of the directors of Joint Stock Companies to bind the company by borrowing money or other acts; and as to the distinction alleged to exist between the powers of such directors, and the authority of partners in ordinary trading partnerships. It does not appear to us in this case that it will be necessary to enter into any considerations of the general doctrine, and we think it better to abstain from making any observation upon it. Here the shareholders of the company have executed the deed defining the purposes of the partnership, and the mode in which it was to be carried on. The corporation, the appellants, had notice of this deed, and indeed had a copy of it in their possession at the time of the transaction, and we must therefore look at this deed, in order to collect the extent of the authority intended to be conferred upon the directors, and we must construe it with reference to the nature of the business to be transacted, and the purposes that the deed contemplated, in order to judge what powers and authorities the law would imply from the nature of the office conferred on the directors, and how far those powers and authorities are enlarged or restricted by any of the provisions of this deed.

The 38th clause is as follows:—"For the better management of the concerns of the said Company, under and in conformity to the provisions hereinbefore contained, or to be hereafter provided for, and for securing the observance thereof, the same shall be confided to the care, superintendence, and management of eleven

members, to be so qualified, elected, and appointed, and with such authorities and powers as are hereinafter declared; which said members shall be, and act as Directors of the concerns of the said Company. That such Board of Directors shall have, and they are hereby expressly invested with, full power and authority to superintend, order, conduct, regulate, and manage all and singular the affairs and business of the said Company, to the best of their discretion and judgment, under and subject to the provisions hereinafter contained.”—“That such Board of Directors shall or lawfully may from time to time devise and make such provisions, rules, orders, and regulations touching the government, carrying on, and management of the affairs of the said Company, the same not being repugnant to the general rules and regulations herein contained, as they shall think expedient.” It will be difficult to devise a form of words conveying more extensive powers of management, and a larger discretion in the Directors who are to conduct this business, than are to be found in these clauses; the only restriction is, they are to be subject to the provisions hereinafter contained. The effect, we think, is to confer on these Directors all the powers of managing partners in an ordinary partnership of the same character, unless there is something in the subsequent clauses of the deed restricting these powers. First—there is the power of borrowing money for the purposes of the partnership, one of the powers which belong to partners in ordinary banks; and, secondly, if so, is there any restriction expressed, or to be inferred from the terms of the deed?

The general power of partners in ordinary trading partnerships, and the restrictions on each partner, appear to us to be stated with great accuracy by Mr. Justice Storey, in his ‘Treatise on Agency,’ and we willingly adopt his language. It is chapter 6, sections 124 and 125, in which the law is thus stated:—“Every partner is, as we have seen, in contemplation of law, the general and accredited agent of the partnership, or, as it is sometimes expressed, each partner is *præpositus negotiis societatis*, and may consequently bind all other partners by his acts in all matters which are within the scope and objects of the partnership. Hence, if the partnership be of a general commercial nature, he may sell or pledge the partnership property—he may buy goods on account of the partnership—he may borrow money, contract debts, and pay debts, on account of the partnership—he may draw, make, sign, endorse, accept, transfer, negotiate, and procure to be discounted, promissory notes, bills of exchange, cheques, and other negotiable paper, in the name, and on account, of that partnership. The restrictions of this implied authority of partners to bind the partnership, are apparent from what has been already stated; each partner is an agent only in and for the

business of the firm, and therefore his acting beyond that business will not bind the firm; neither will his acts, done in violation of his duty to the firm, bind it, when the other party to the transaction is cognizant of, and co-operates in, such breach of duty." That is the extract from Mr. Justice Storey. That in ordinary trading partnerships, the power of borrowing money for partnership purposes exists, and that bills or notes may be given by one of the partners in the partnership name, for money borrowed by the firm, is too clear to require authorities.

Then is the nature of a banker's business such as to exclude the power from want of occasion for its exercise? Quite the contrary. The nature of a banker's business, especially if the bank be one of issue and deposit, necessarily exposes it to certain and immediate demands, which may be to the extent of a large proportion of its debts. When its profits are so made in employing its own money, and that entrusted to it in discounting bills, and making loans, and other mercantile dealings, it is impossible that it could have all their assets in such a state, as to be immediately applicable to the payment of all demands which may be made upon it; and if a partner has no power under such circumstances to borrow money for the partnership, either the estate of each individual member might be called on to make up the deficiency, or the concern might be ruined. We have no doubt at all, therefore, that in ordinary banking partnerships such powers exist; and the directors, by the terms of their appointment, had all the general powers, and among the rest, the power of borrowing, unless such power is excluded by other provisions of the deeds. Is there then anything in this deed which excludes it? We find nothing having such a tendency, but much to a contrary effect. The directors have the power of contracting debts, for the purposes of the company, to any amount, by issuing notes, and receiving deposits, drawing and accepting and endorsing bills, and they had therefore power in those modes to subject the company to liabilities to any extent. On the other hand, according to the respondents' argument, no monies can be borrowed to meet these liabilities, the monies must be raised by calls; yet if they are to be raised by calls, the company might be ruined long before sufficient funds might be raised, although they might have assets not immediately capable of being realized, or converted, to a much larger amount than all its liabilities.

The 54th section provides—"That such Board of Directors shall have the entire management and control of the lending of monies on bills, notes, bonds, mortgages, and other securities." The 55th section declares—"That such Board of Directors shall, from time to time, settle and determine in whose name or names all securities that shall be required to be entered into, by or on

behalf of the said company, or by or on behalf of any person or persons transacting or negotiating any matter or business whatsoever therewith, shall be taken and given." Now this applies to transactions in which the company may either receive or give securities; the securities which they are to receive, clearly extended to monies lent by them; and the securities which they are to give, may, with equal propriety, be held to extend to monies borrowed by them. On this part of the case we can entertain no doubt: the real question is, whether there is anything in the circumstances under which the loan is made, which shows that it was not borrowed for partnership purposes, or was borrowed by the Directors in violation of their duty to the shareholders.

It is contended by the respondents, that this loan was made upon the condition of the bank terminating its business, and for the purpose of enabling the Directors so to terminate it, and to convert the company into a partnership for a different purpose; that the Directors had no authority to terminate the concern, and make it a new company; that the monies were advanced to pay debts of Hughes and Hosking, to which the company were not liable; and that there were conditions attached to the loan which the Directors had no authority to assent to, namely, the restraint of the transfer of shares, contrary to the terms of the deed, and the assumption of the affairs of Hughes and Hosking. It is said, that the appellants imposed those conditions; that they were affected with notice for this purpose; and are therefore not entitled, whatever may have been their rights as against individuals, to recover from the company the amount of monies they have advanced. It is perfectly true, if a person lends monies to a partnership for purposes for which he has no authority to borrow it on behalf of the partnership, the lender, having notice of that want of authority, cannot sue the firm; and this is in truth the only effect of the decision much relied upon at the bar, of *Fisher v. Taylor*, 2nd Hare, page 218. On the other hand, if money be lent to a partner for purposes for which he has authority to borrow, it is a very different case to the case where the party who advanced the money which has been applied to the uses of the partnership, knew that the borrower has entered into an engagement on behalf of the partnership beyond his authority, and by which therefore they are not bound.

The question here is, what is the real nature of the transaction which has taken place? We think the discontinuance of the business of the bank, which the directors thought necessary and expedient, was within their authority, and they had authority to borrow money for the purpose of discharging the existing engagements and obligations of the bank, till the assets should

be realized, and the concern wound up with the least injury to the company. If they had this authority, it is quite unnecessary to consider whether they exercised it discreetly or otherwise—whether the loan they contracted was on hard terms or otherwise. The appellants had a right to make such terms as they thought proper, when they made the advance; if any of these terms were *ultra vires* the directors, they could not be enforced, and so far the lenders might lose the advantage for which they had stipulated. The appellants, I think, stood in no relation of trust or confidence to the individual shareholders of the company, and they had a right to make the best bargain they could, and the only question is, whether the purposes for which the money was lent, were within the legitimate purposes of the partnership; it appears to us the purposes for which the money was borrowed, were not to increase the permanent capital of the company—not to enable the directors to engage in new concerns beyond the provisions of the deed, and contract new liabilities, but to enable it to discharge liabilities already contracted, and to afford time for the realization of the assets.

It would be extravagant to hold the appellants lending their money to enable the company to meet its engagements, were bound also to see what was the character of their engagements; then, if the money was borrowed *bond fide* by the directors for the purposes of the partnership, and within the limits of their authority, and was advanced *bond fide* for those purposes, and applied to the legitimate purposes of the partnership, all of which facts, for the reasons already alleged, we consider as proved, can the liability to repay the money be discharged, because the engagement to repay was accompanied with other engagements by the directors, some of which were proved to be *ultra vires*? From Pigot's case in Coke, Elizabeth, to the latest authorities, it has always been held, when there are contained in the same instrument distinct engagements, by which the party binds himself to do certain acts, some of which are legal and some illegal at common law, the principle of law is, that those which are legal may be enforced, and those which are illegal cannot. Here, in our opinion, the directors had power to borrow the money for the company, and of course to bind the company by the engagement they so made for the re-payment; they did so bind it, and they engaged that the company should, in addition, do certain other acts, and which acts, without their consent, the company would not be compelled to do; the engagements are entirely distinct. Can the shareholders say, because we cannot be compelled to perform these engagements as to which the directors had no authority to bind us, therefore we will not perform those engagements to which they

have authority to bind us? that as the company cannot have all the benefit on which they agreed to advance the £150,000, therefore they shall not have that as to which they were quite correct? We think the only consequence will be, that those stipulations which are *ultra vires* the directors, could not be enforced; that if the object of the present action were to enforce them, or to recover damages for the breach of them, it would be necessary to examine them more particularly than the view we take of the case requires us to do.

On the whole, we are of opinion, without reference to the question of acquiescence, that the plaintiffs in the action, the present appellants, are entitled to recover, and the verdict ought to be entered in their favor.

Our report to Her Majesty will be, that the verdict of the court below ought to be reversed, and the judgment ought to be entered for the appellants. The appellants will have the costs of the action below, and there will be no costs of the appeal.

Railway Balance Sheets.

YORK & NORTH MIDLAND RAILWAY.

[*Half-Yearly Meeting, 21st February, 1848.*]

"The accounts of the company for the half-year ending 31st. Dec 1847, show, that the receipts on the traffic account, for passengers, parcels, and mails, amounts to £126,946 3s. 3d.; for merchandize, cattle, &c., £106,901 19s. 5d.; and for rents and staithe dues, £151 1s. 4d.; total, £233,999 4s.

The expense of working the line during the same period are £69,298 17s. 7d., and the interest on debentures £18,653 4s. 4d. The clear profits of the half-year derived from traffic being £147,765 11s. 2d.

The directors recommend a dividend of 10 per cent. per annum, deducting income-tax. The total amount of this dividend will be £113,931 13s. 6d., leaving a balance of £881 15s. 9d., which being added to the sum of £16,000, the proceeds of the sale of a portion of the East and West Riding shares, which were placed at the disposal of the directors, leaves a gross surplus of £881 15s. 9d., to the credit of the company.

The directors add the following details of the traffic for the half-year:—Passengers, 1st class, 105,815; 2nd class, 241,443; 3rd class, 319,713; government class 160,094; total, 827,065. Horses, 3,431; carriages, 1,172; merchandize, goods, and grain, 396,627 tons; coal 115,503 tons; coke, 79,955 tons; lime, &c., 13,682 tons; cattle, 15,332; sheep, 64,055; and pigs, 6,001.

The cash statement was appended. The capital account showed the receipts prior to July, 1847, to have been £2,891,654 5s. 6d.; during the half-year there had been received on account of shares £388,932 1s. and on debentures £134,678. Debentures to the amount of £22,000 have been paid off, leaving the net receipts of the half-year at £501,610 1s. The sum of £300,000 has been borrowed on the 6 per cent. guaranteed stock, and a balance is owing of £106,032 15s. 6d.

The payments prior to July, 1847, amount to £3,196,869 10s. 8d. During the half-year there have been expended in works and stations £340,074 19s. 3d.;

sleepers, £38,823 15s. 7d.; land and conveyance, £54,498 14s. 9d.; iron rails and chairs, £58,612 13s. 9d.; engines, carriages, waggons, &c., £41,594 7s. 11d.; parliamentary expenses, £5,030; engineering, £7,000; advance to the Hull and Selby company, £55,917 4s. 10d.; miscellaneous and printing, £875 15s. 1d.; total payments in half-year, £602,427 11s. 4d.

The traffic account showed a balance from last half-year of £1,766 7s. 2d.; passengers, parcels, and mails, £136,946 3s. 3d.; merchandize, £106,901 19s. 5d.; rents, £15 11s. 4d.; proceeds of sale of shares, £16,000; total, £251,765 11s. 2d.

The expenditure has been in maintenance of way and repairs of property, £5,492 2s. 11d.; locomotive expenses and coke, £25,202 4s. 4d.; duty £5,432 6s. 6d.; direction, £750; compensation, £466 16s. 11d.; miscellaneous expenses, gas, insurance, &c., £1,260 10s. 5d.; rates and taxes, £6,209 10s. 7d.; printing, advertising, and stationery, £1,387 7s. 3d.; salaries of resident engineer, secretary, and clerks in waiting department, £2,731 8s. 1d.; wages of clerk and porters in merchandize department, and for oil, tallow, waste, covers, &c., £9,766 17s. 10d.; policemen, porters, guards, &c., £7,388 16s. 2d.; repairing carriages, waggons, &c., £3,203 16s. 7d.; law charges £7; total payments, £67,298 17s. 7d.; interest on debentures, £18,653 4s. 4d.; balance available for dividend and rent, £163,813 9s. 3d."

YORK, NEWCASTLE, & BERWICK.

[*Half-Yearly Meeting, 21st February, 1848.*]

"The statement of the capital and revenue accounts for the half-year ending the 31st of December last, show a balance of 216,714l. 12s. 8d., in favour of the company on the revenue account, after deducting working expenses and interest. The directors recommend a dividend of 9 per cent. After the payment of the dividends, a surplus of 45,883l. 13s. 10d., will remain to the credit of the company.

The directors add the following details of traffic:—Passengers, first class, 135,518; second class, 549,438; third class, 944,931; government class, 88,549; total, 1,718,436. Horses, 2,092; carriages, 1,002; dogs, 3,171; cattle, 13,631; sheep, 37,288; pigs, 2,663; goods, 130,121 tons; minerals, 1,245,067 tons.

The cash statement presented the following results:—The amount received on capital account prior to July, 1847, was 3,368,103l. 1s. 2d.; received on shares during the half-year, 717,392l. 10s.; and on debentures, 33,301l.; debentures paid off, 188,320l.; leaving the net receipts on the half-year, 562,112l. 10s.; loan from the Great North of England purchase account, 850,000l.; balance due to bankers, 186,240l. 10s.; total 4,466,526l. 1s. 2d.

The amount expended to June 30, 1847, was 3,683,102l. 8s. 5d.; the further charges during the half-year have been in parliamentary expenses, 9,676l. 13s. 3d.; engineering, 3,006l. 16s. 7d.; tenant-right, 2,218l. 11s. 3d.; land and conveyance, 40,790l. 4s. 7d.; works of roads, stations, &c., 398,009l. 5s. 10d.; iron rails and chairs, 40,307l. 18s. 9d.; sleepers, 8,300l. 5s. 3d.; Wearmouth dock, 32,938l. 13s.; advertising and printing, 918l. 2s.; miscellaneous disbursements, 1,175l. 18s. 8d.; Pontop and South Shields railway, 25,000l.; electric telegraph, 14,807l.; interest to shareholders, 14,107l. 14s. 1d.; stock, including engines, carriages, and waggons, 192,168 9s. 6d.; making total payment of half-year, 783,423l. 12s. 9d.

The traffic account showed a balance from last half-year of 29,888l. 19s. 1d. The receipts for passengers, carriages, parcels, and mails, 163,477l. 6s. 6d.;

goods, 41,794*l.* 5*s.* 9*d.*; coal, 108,715*l.* 4*s.*; cattle, 3,852*l.* 15*s.* 9*d.*; rents, 3,738*l.* 9*s.* 10*d.*; demurrage, 986*l.* 10*s.* 9*d.*; total, 352,453*l.* 11*s.* 8*d.*

The charges have been in maintenance of way and repairs of property, 12,948*l.* 19*s.* 8*d.*; working and repairing engines, &c., 46,329*l.* 18*s.*; coach and waggon repairs, 6,566*l.* 3*s.* 5*d.*; coaching account, including salaries 16,791*l.* 5*s.* 8*d.*; horse hire, fuel, gas, and stores, 1,299*l.* 18*s.* 9*d.*; shipping and leading expenses, 7,247*l.* 19*s.* 6*d.*; way leaves and damage ground rents, 9,408*l.* 11*s.* 4*d.*; rates and taxes, 5,728*l.* 13*s.* 3*d.*; government duty, 5,352*l.* 10*s.* 11*d.*; miscellaneous expenses, 208*l.* 13*s.* 4*d.*; direction, 1,250*l.*; auditors, 50*l.*; stationery, advertising, and printing, 404*l.* 8*s.* 11*d.*; compensation, 238*l.* 4*s.* 6*d.*; debenture interest, 14,664*l.* 1*s.* 4*d.*; lock expenses, 355*l.* 0*s.* 8*d.*; income tax, 1,658*l.* 13*s.*; insurance, 208*l.* 16*s.* 9*d.*; total payments, 135,738*l.* 16*s.*; leaving a balance of 216,714*l.* 12*s.* 8*d.* available for rent of land, lines, and dividend."

NORTH BRITISH RAILWAY.

[*Half-yearly Meeting, 9th March, 1848.*]

REVENUE ACCOUNT.

Receipts.

For half-year ending 31st January, 1848. For passengers, £39,174 15*s.* 4*d.*; horses, carriages, &c., £716 19*s.* 9*d.*; goods, £21,196 6*s.* 1*d.*; rents, £577 18*s.* 5*d.*; interest, transfer fees, &c., £306 14*s.*; mails, £1,816 16*s.* 2*d.* £63,789 8 9

Expenditure.

Connected with locomotive department, £10,620 16*s.* 8*d.*; passenger do., £6,574 12*s.* 11*d.*; goods do., £5,573 4*s.* 8*d.*; line and stations, £3,138 11*s.* 6*d.*; way leaves, assessment for poor and other rates, £1,809 9*s.* 2*d.*; direction and general charges, £690 2*s.* 1*d.*; interest on loans, £6,467 8*s.* 7*d.*; sum required to make up last half-year's dividend, £1,484 8*s.* 36,357 13 7

Free revenue £27,431 16 2

STATE OF APPROPRIATION OF THE CAPITAL, PER ANNEXED ACCOUNTS.

Total sum expended per abstract £2,900,747 13 6
 Less recredited for old materials, £1,355 7*s.* 4*d.*; and for Edinburgh and Perth Shares, &c., £8,815 7*s.* 9*d.* 10,170 15 1
 £2,790,576 18 5

Stated for main line, £1,118,615 19*s.* 6*d.*; Dalkeith branch, £185,744 2*s.* 6*d.*; Hawick branch, £758,947 14*s.* 10*d.*; other branches, £255,177 14*s.* 7*d.*; for locomotive and other plant, and works at the Edinburgh and St. Margaret's Stations, common to the line and all the branches, £472,091 7*s.* £2,790,576 18 5

CAPITAL ACCOUNT.—*Abstract Balance Sheet.*

As at 31st January, 1848.

Charge.—Amount of charge as at 31st July, 1847, deducting advances from Bankers and others, stated separately below, £2,176,607 7*s.* 5*d.*; two calls on quarter shares—less subscriptions previously paid in advance, £214,261 10*s.*; subscriptions in advance, since 31st July, 1847, £2,295; deposit and call on New Third Shares, £156,800; subscriptions in advance of do., £2,641 8*s.*; interests received since 31st July, 1847, £1,890 2*s.* 10*d.*; fees of transfers, ditto, £159 5*s.* 6*d.*; loans, ditto, £69,053 12*s.*; received on account of Edinburgh and Perth Railway Shares, £8,252 17*s.* 9*d.*; ditto, on account of old materials from Dalkeith Railway, £1,355 7*s.* 4*d.*; advances from bankers and others, £342,387 4*s.* 5*d.* £2,975,603 15 3

Discharge.

Amount expended as at 31st July, 1847, £2,455,588 11s. 11d.; less sum secured by bond on Halbeath Railway, £25,153 8s. 8d.—£1,430,435 3s. 3d.; expended since, on account of preliminary and parliamentary expenses, £675; land and compensation, £14,549 7s. 10d.; conveyancing and law expenses, £3,245 15s. 4d.; works and stations, £266,744 18s. 1d.; engines, carriages, and waggons, £51,394 8s. 9d.; interest to shareholders, and interest and expenses on loans, £23,122 8s. 7d.; new tools and shop furnishings, locomotive department, £3,271 14s. 2d.; engineering department, £3,307 18s. 6d.; store-keepers' salaries and storing charges, carriage of materials, &c., proportion applicable to capital, £703 0s. 4d.; constables' wages and expenses, clothing, &c., £1,448 11s. 6d.; stationery, printing, and advertising, £88 4s. 7d.; direction, proportion applicable to capital, £333 6s. 8d.; salaries to secretary, book-keeper, and clerks, ditto, £852 10s.; office, travelling, and other general charges and expenses, ditto, £323 8s.; expenses preparatory to opening Dalkeith and Musselburgh branches, £251 17s. 11d.; arrears of calls, £99,965 5s.; in hand, due by bankers, £49,737 8s. 1d.; sum due on bond by Halbeath Railway directors as above, £25,153 8s. 8d. £2,975,603 15 3

Since the above balance was struck, about £30,000 has been paid on arrears of calls, and above £63,000 has been expended on account of works, &c.

EDINBURGH AND NORTHERN RAILWAY.

Half-Yearly Meeting, 15th March, 1848.

STATE OF ACCOUNTS, as at 31st January, 1848.

Expenditure.

Main line, per separate statement, £889,867 18s.; Newport Extension, per do., £157,315 0s. 11d.; Dunfermline Extension, per do., £166,924 13s. 10d.; Burntisland and Granton ferry, per do., £29,535 11s. 8d.; Tay ferry, per do., £5,873 19s. 9d.; Granton pier works, per do., £7,437 14s. 9d.; interest on loans, £7,190 19s. 4d.; stamps and expenses on loans, £2,530 16s. 8d.; interest to shareholders, £24,335 14s. 0d.; brokerage and subscriptions in 1840-41, £709 15s. 2d.; interest on bank account, £1,349 15s. 10d.; surplus property, £32,659 18s. 9d.; share account, £20,040 4s. 6d.; Edinburgh, Leith, and Granton railway works, £11,485 5s. 1d.; compensation to road trustees, £7,010 5s. 6d.; expenses opposition to Edinburgh and Perth railway, £9,000; Strathearn Junction Railway Company, £3,799 18s. 10d.; coke ovens, £2,961 17s.; works at Canal-street station, £468 3s. 2d.; coal drops, £879 8s. 11d.; Salaries, direction, &c., £4,855 3s. 7d.; office and station furniture, £761 2s. 9d.; Miscellaneous stock, £150 15s.; Admiralty deposit and bills received, £450; revenue accounts outstanding, £2,777 15s. 2d.; stores on hand, £2,720 9s. 3d. £1,392,092 7 4

Receipts.

Deposits and calls on £25 shares, 1845, £564,810 6s. 3d.; Ditto, ditto, on £15 shares, 1845, £276,716 10s.; ditto, ditto, shares, 1847, £38,366; subscription in advance, £2,951 9s.; transfer fees, £461 12s. 6d.; premiums, £1,348; loans, on debenture, £334,842 10s.; overpaid calls and deposits, £259 1s.; bills payable, £51,102 3s. 8d.; balance of revenue account, £8,840 14s. 1d.; balance, £112,395 0s. 11d. £1,392,092 7 5

REVENUE ACCOUNT.

Expenditure.

Locomotive department, per state, £2,822 3s. 5d.; passengers do., per do., £2,332 18s. 3d.; goods, per do., £430 17s. 1d.; Burntisland ferry, per do., £5,728 4s. 3d.; wages of gate-keeper and police, £218 17s. 2d.; general charges, £35 19s. 3d.; gas works, per state, £359 7s. 6d.; balance, £8,840 14s. 1d. £20,739 1 0

Receipts.

Passengers, £8,127 0s. 1d.; Mail, estimated at £140; goods, £1,370 9s. 7d.; Burntisland ferry passengers, £6,137 16s. 2d.; ditto goods, £2,919 8s. 8d.; ditto mails and coaches, £1,101 14s. 7d.; shore dues and rates, £183 8s. 6d.; gas works, £484 18s. 7d.; rents and dues, £274 4s. 11d.	£20,739 1 0
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GLASGOW, PAISLEY, KILMARNOCK AND AYR.

*[Half-yearly Meeting, 9th March, 1848.]*CAPITAL ACCOUNT. *Receipts from 31st July, 1847, to 31st January, 1848.*

To amount of receipts per last published statement £1,869,778 8s. 4d.; instalments of £5 each received on £40 shares—4, 5, 6, 7, and 8 calls £92,550; on £25 shares, first issue—2nd and 3rd calls £66,722 10s.; on £25 shares, second issue—2nd call £66,220; Loans received for various periods, £1,990	£2,096,260 18 4
Deduct loans paid off at Martinmas last	3,200 0 0

Calls on £25 shares, in advance	£2,093,060 18 4
	23,655 0 0

£2,116,715 18 4*Expenditure from 31st July, 1844, to 31st January, 1848.*

Main Line—By amount of expenditure, exclusive of Joint Line, per published statement £1,022,062 18s. 11d.; Expenditure from 31st July, 1847, to 31st January, 1848—£28,096 9s. 9d.; by expenditure for Cumnock Extension £91,807 10s. 3d.; for Muirkirk and Auchinleck Line £15,145 18s. 7d.; For Kilmarnock and Troon Railway £8,946 16s. 8d.; Irvine and Busbie Branch £19,760 9s. 4d.; Galston and Newmilns Branch 32,330 19s. 2d.; Branches to Irvine Harbour and Swinlees £2,036 4s. 9d.; Parliamentary, Law, Engineering, Police, and other miscellaneous expenses, connected with new branches and extensions £18,903 9s. 3d.; Interest on capital expended for new Lines still unproductive £13,875 11s. 11d.; by expenditure for new Lines, per last statement £578,650 0s. 6d.; total expenditure for new branches £781,458 0s. 4d.; by expenditure of committee for Joint Line £164,583 11s. 5d.; stock in the Glasgow, Dumfries, and Carlisle Railway £73,684 8s. 5d.; ditto in the Paisley and Renfrew Railway £19,158 14s. 8d.; ditto in the Paisley, Barrhead, and Hurler Railway £8,281 6s. 3d.; balance £19,395 7s. 7d.	
Total	£2,116,715 18 4

REVENUE ACCOUNT.

Receipts from 31st July, 1847, to 31st January, 1848.

Joint Line—To one-half of Joint line receipts £4,152 8s. 10d.; Main Line—To amount of receipts from passengers—1st class, 29,925—2d class, 125,446—3d class, 237,263—total 392,634,—£28,729 18s. 10d.; to amount for receipts of goods and minerals £30,831 6s. 8d.; ditto, ditto for parcels 2,269 18s. 3d.; ditto, ditto for horses and carriages £321 8s. 10d.; ditto for carriage of Mail £249 19s. 6d.—Total receipts from traffic	£66,555 0 11
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Expenditure from 31st July, 1847, to 31st January, 1848.

On Half Joint Line expenditure £399 6s. 1d.—Main Line—Maintenance of way and stations £3,413 9s. 4d.; locomotive department 12,334 7s. 5d.; passenger department 4,960 10s. 9d.; goods department £6,304 2s. 2d.; general expenditure £1,875 15s. 3d.; Joint and Main Line expenditure £29,787 14s.; Debenture warrants on loans, £6,868 16s. 7d.; half-year's feu duties on property £442 5s. 2d.; Total expenditure £37,098 15s. 9d.—less the following sums, viz. Interest from Renfrewshire road trustees £360; Rents for half-year, less repairs £229 13s. 10d.; Transfer fees £175 17s. 6d.; Interest account £620 5s. Balance £30,842 1s. 6d.	£66,555 0 11
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*Dr.**Abstract.*

To balance from last half-year £216 2s. 3d.; balance, being net proceeds for six months £30,842 1s. 6d.; Interest on capital expended for new Lines, and unproductive £13,876 11s. 11d.; Interest on Dumfries and Carlisle Railway shares, and other available capital £1,052 11s. 7d.; Interest due on calls in arrears, 2,744 18s. 3d.—
 Total 51,732 5 6

Cy.

By proposed dividend on the consolidated stock and £40 shares, at the rate of 6 per cent. per annum £41,355 5s.; Interest at 5 per cent. on £25 shares I. and II. issue £10,161 8s.; balance to next half-year's account £215 11s. 9d. Total £51,732 5 6

GLASGOW AND PAISLEY JOINT RAILWAY.

From 31st July, 1847, to 31st January, 1848.

Traffic Account To amount of receipts from passengers (276,724) £7,960 13s. 9d.; to amount of receipts for parcels and luggage 222 0s. 8d.; rent from property £32 1s. 4d.; interest on bank account £37 13s. 6d.; carriage of mail £52 8s. 6d.
 £8,304 17 8

Amount of expenditure £1,798 12s. 2d.; balance divisible between the two companies £6,506 5s. 6d. £8,304 17 8

Capital account. To amount of receipts at 31st July, 1847, £326,230 18s. 3d.; balance £2,836 4s. 8d. £329,167 2 11

By amount of expenditure at 31st July, 1847. £328,647. 0s. 3d.; works £413 5s. 8d.; land and compensation £106 17s. £329,167 2 11

FAILURE OF THE UNION BANK, CALCUTTA.

The last advices from India bring us the intelligence of the stoppage of this Bank; a misfortune which it was hoped would have been avoided. The Indian journals comment very severely on the management which has ended in this result. We copy from them the following particulars, and shall give a further account of the causes which have led to the failure hereafter.

The advices state that the establishment in question has every year published its balances, shown profits, and given dividends, when it was in reality on the eve of insolvency. Its paid-up capital exceeded a million sterling; nearly the whole of this was in the hands of merchants engaged in indigo speculations, to whom the bank was in the habit of giving accommodation of a quarter of a million annually. They were not in the habit of writing off bad debts, and never appeared to have made any losses. They indulged in the system of unlimited and unrestricted credits on bills, and the houses of Colvill, Gilmour, and Co., and Cockerell and Co., were a twelvemonth since £230,000 in the bank's debt; when the late commercial crisis occurred they owed it £600,000. On one occasion, it appears, two of the directors who were refused discount of a bill by the general board, went to the treasurer and secretly obtained the cash without authority. On another occasion a director was detected by the secretary attempting to possess himself of a

government paper, to be applied to his own use. In June last, the bank being in much difficulty for money, drew on the firm of Larpent, Cockerell, and Co., of London, the Calcutta branch of which owed them above a quarter of a million sterling, for £30,000, at ten months' date. The liquidation of these bills was to be duly provided for long before they became due. To prevent all apprehensions of risk, bank-post bills to this amount were forwarded to London to be retained as securities till the others reached maturity, when, if all went right, they were to be returned to Calcutta. The London house accepted the bills, and Messrs. Jardine, Skinner, and Co., in whose hands £30,000 worth of post-bills had been lodged for safety's sake, discounted them, the bank receiving and appropriating the proceeds. Messrs. Larpent, Cockerell, and Co., finding bankruptcy at hand, negotiated the security-bills, and appropriated the money, and then failed, leaving the bank to settle with Messrs. Jardine, Skinner, and Co., and of course occasioning a loss to the extent appropriated, less the dividend on the bankrupt estate. In the end of October, before the bankruptcy of the London house, which had occurred in the beginning of the month, became known, Mr. Larpent, of the Calcutta house, accepted its bills for £20,000, drawn at ten months, on the home firm, and appropriated the proceeds. The Commercial Bank of Bombay having, in November, sent £40,000 worth of bills to be sold by the Union Bank of Calcutta, directing the proceeds to be immediately returned to Bombay in Bank of Bengal bills, the Union bank sold the bills, received the money, and made use of it. The bank has now closed its accounts, its stock is all gone, and those who held shares, and looked for dividends as a source of income, are penniless. A call of £20, moreover, is about to be made on each share, to meet the immediate demands of the creditors; this, it is said, will be refunded with interest. The directors of the Bank, of whom the gentleman so often named was one, were its chief debtors; they discounted their own bills, and borrowed from themselves. As if to complete the misery occasioned by the failure, the London Life Insurance Society invests £50,000 of its capital in bank shares, and is unable to pay the annual premium to policy holders. So much for the direct transactions of the Bank; but the terrible system of dealing just described seems not to have been confined to one establishment. When Palmer and Co. failed in 1830, spreading wretchedness and ruin through so many families, Mr. Larpent was appointed one of the trustees to wind up the affairs of the establishment. By degrees, all the assignees save two have disappeared—the one just named having realized £20,000 from the estate, deposited them, first, in the Union Bank, and then transferred them to his own house, now bankrupt, and this loan has been sealed up with the rest. The official assignee of the Supreme Court, is, or rather was, a Mr. O'Dowda, who, not content with the very ample fees of office, must make profit of the funds committed to his charge. He accordingly invested £20,000 in Union Bank shares, now not worth one farthing, and the poor creditors may grieve with the rest.

With such a system of management, and directors helping themselves and their friends to the capital of the bank, on very indifferent and insufficient securities, what wonder that the concern has become insolvent? A committee of inquiry, appointed on the 15th, published its report on the 22nd, and on the same day laid it before an adjourned meeting. The committee consisted of Messrs. T. C. Morton, W. F. Fergusson, J. C. Stewart, James Stuart (Carr, Tagore, and Co.), and H. M. Elliott, as good men as could possibly have been selected. The report is a remarkably clear and convincing statement of the bank's position, and of the committee's views as to the mode of extricating the shareholders from their difficulties. It declares the bank insolvent as a bank, estimating its liabilities at Rs. 68,82,610, and its assets at Rs. 61,07,990. A former statement, drawn up after a less careful examination, had shown the assets to be 12 lacs over the responsibilities. It is to be observed, however,

that the committee in its revised estimate has not taken into account what may be realised out of the 50 or 60 lacs due by insolvent firms. The details of the scheme proposed for winding up the concern include the appointment of directors. Mr. T. C. Moreton, Mr. Shearwood, Mr. Burkinyoung, and Momockjee Rustomjee, were selected. A contribution of 200 rupees per share is to be called for from such proprietors as are able to pay it, and the more wealthy ones are to be called on for a loan of 20,000 rupees each, at 6 per cent, and if necessary compelled to pay it by setting the creditors upon recusants. It is hoped that the liabilities will, by these means, be cleared off in twelve months, beginning from March next.

Savings' Banks.

PROPOSED MEANS OF CHECKING THE WITHDRAWAL OF DEPOSITS FROM THE FRENCH SAVINGS' BANKS.

OF the report on the financial situation of the French Republic, made on 9th ultimo to the Provisional Government, by the Minister of Finance, the portion relating to the liabilities to the depositors in the savings' banks, and the means of providing for the due discharge of them, has attracted considerable attention on the part of the British public, and excited an almost general expression of disapprobation, and even censure. The circumstance that the English artizans who have recently been obliged to leave France are supposed to be largely interested in the matter, both in number and in amount, has mainly tended to produce the feeling adverted to. But the terms proposed by the Provisional Government to those depositors who may be desirous of withdrawing their money are not, it is said, on a calm consideration of the circumstances, so disadvantageous or arbitrary as they have been represented to be.

It should be remembered that the amount of individual deposits in the French savings' banks is by no means so large as it is in the English savings' banks, being in the former, according to the law of 22nd June, 1845, only 300 francs, or £12 sterling in one payment, and 1,500 francs, or £60 sterling on the whole. No interest having been allowed since 1st January, 1847, on accounts amounting to 2,000 francs, or £80 sterling, it is not likely that many accounts now exceed the maximum of 1,500 francs, or £60 sterling. The average amount of each depositor's account in the Paris saving's bank on 1st January last, was 436 francs, or £17 sterling. The deposits belonging to English workmen cannot, therefore, be very large in amount.

The Provisional Government of France having found, as has long been apparent, both in the French savings' banks and in those in this country, that the smaller deposits belong to needy

workmen, while the larger are owned by persons in comparatively easy circumstances, have determined to reimburse those depositors who demand the return of their money in the present position of affairs, according to the following regulation, viz :—

Deposits amounting to 100 francs to be repaid in cash.

Deposits of between 100 francs and 1000 francs to be repaid as follows, viz.—100 francs in cash, and one half of the balance in treasury bonds at four months' date, bearing interest at 5 per cent., and the other half in 5 per cent. government stock, at par;—and deposits exceeding 1000 francs to be repaid as follows, viz.—100 francs in cash, and one half of the balance in treasury bonds, at six months' date, bearing interest at 5 per cent., and the other half in 5 per cent. government stock, at par.

The needy workman and small depositor will not therefore be prevented by this regulation from withdrawing weekly from his account a sum sufficient to satisfy his existing wants, provided it does not exceed 100 francs at a time, while the larger depositor, whose aim in withdrawing his money is to assist in increasing the embarrassment of the government, will by this regulation be disappointed in his hopes. Those depositors who are willing to allow their money to remain will receive 5 per cent. interest.

That some measure of the kind was imperatively necessary on the part of the government cannot be questioned, there being of the total sum due on 7th ultimo to the savings' banks in Paris and the departments, viz.—355,087,712 francs, or £14,203,508 sterling, only the sum of 65,703,620 francs, or £2,628,124 sterling in the treasury.

The gratuitous and voluntary capitalization of deposits by the purchase of Government Stock is a feature in the French savings' bank system which must have been altogether overlooked by those persons who have so warmly condemned the recent proposition of the Provisional Government to make such capitalisation in certain cases compulsory. The sums so capitalised in the last year by the Paris Savings' Bank on account of the Depositors amounted to 5,260,005 francs, or £210,400 sterling.

The inconvenience and expense experienced last year from the large withdrawals by Depositors in the British savings' banks are now well known. Had those withdrawals continued, and increased in amount, it is not clear that our own government would not have been obliged to adopt some prompt and decisive measure, similar to that which the Provisional Government of France have found themselves compelled to propose, in order to stop the panic at as little loss to the public as possible.

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—*Ed. B.M.*]

BANK OF ENGLAND.

The half-yearly meeting of the Proprietors of Bank of England Stock, was held on the 16th of March, ult. The report presented being of a favourable character, was received with much satisfaction. Mr. James Morris, the governor, in proposing the declaration of a dividend at the rate of $4\frac{1}{2}$ per cent. for the past six months, observed that the amount of Rest on the 29th of February last, was £3,946,524, against £3,925,634 on the 31st of August, 1847, being an increase of £20,890 since that period. After the payment of the proposed dividend, the Rest would be £3,291,639. Some attempt was made to carry an amendment that the dividend be at the rate of 10 per cent. per annum; but on some remarks by Mr. David Salomons, it was abandoned, and the dividend of $4\frac{1}{2}$ per cent. for the half-year, exclusive of any deduction for income-tax, was carried. Not the least important feature of the meeting was the proposed amendment relative to the election of governor and deputy-governor.

The GOVERNOR informed the court that with reference to the allusion that had been made by a proprietor to what had taken place at the last half-yearly meeting, he had to state that the attention of the directors had been directed to the system hitherto pursued on the election of candidates for re-election as directors, and to be elected governor and deputy-governor. Hitherto it had been the custom that each of the directors in rotation should offer himself to fill the office, first of deputy-governor and afterwards of governor, and those directors who were unwilling to offer themselves retired from the direction; that practice had been found to be inconvenient, and would in future be abandoned; and in future gentlemen would be elected to the governorship, not on the principle of rotation, but those would be chosen who were considered best qualified to fill that situation, without regard to seniority in the direction. The names of the candidates would in future be advertised twelve days before that on which the ballot was to take place, and the new candidates would be distinguished from those who were recommended for re-election.

Mr. DE WINTON gave notice of the following motion for the next court day:—

“Notice of motion on or between the 10th and 25th of September, on the third Thursday in next September, at a Court of Proprietors, to consider the dividend, &c., I will move that the bye-laws and regulation for the election of the governor and deputy-governor, and the directors for the general management of the Bank of England, be then considered, with a view to their amendment.”

The GOVERNOR said that, in order to consider any alteration in the bye-laws, it would be necessary to appoint a special court for that purpose.

Mr. THOMPSON moved, pursuant to notice, that for the future the salaries of the different clerks of the establishment should be paid in full, without deducting the income-tax.

The GOVERNOR said the subject was one of internal arrangement, which was rather for the consideration of the Court of Directors than the proprietors.

The motion was then withdrawn.

Mr. J. PILCHER, after alluding to the late insolvency of some of the direc-

tors, and the great inconvenience occasioned thereby, moved that in future no proprietor should be eligible to the directory who was not willing to declare that he was in possession of property to the amount of £100,000, over and above the amount of his debts and liabilities.

The motion was not seconded.

A most cordial vote of thanks was passed to the Governor, the Deputy-Governor, and the directors, for their past services and management.

LONDON AND WESTMINSTER BANK.

At the Fourteenth Annual Meeting, held March 1, 1848, the following Report was presented by the Directors :—

The Directors have the pleasure to commence their Fourteenth Annual Report, with stating that (with the exception of out-standing instalments, amounting to £3,273), the paid-up capital of the Bank is now one million sterling. The remaining ten thousand shares were issued at par to the proprietors in the manner announced at the last general meeting. The events of the past year have shown the propriety of this measure.

The profits of the year, after defraying the total expenses of the establishment, making allowance for all bad and doubtful debts, and paying the income tax, amount to £58,223 4s. 10d. Out of these profits, the directors paid, last September, a dividend at the rate of six per cent. per annum on the paid-up capital of £800,000, for the half-year ending the 30th of June; and they now declare a dividend at the same rate upon the increased capital of £1,000,000, for the half-year ending the 31st December. After the payment of these dividends, making together £54,000, there will remain out of the profits of the year a surplus of £4,223 4s. 10d. to be added to the reserve fund, which will then amount to £100,647 16s. 11d.

From the severe pressure on the money market during the latter part of the year, it was deemed advisable to realize some portion of our government securities; and although the profits of the year have consequently been curtailed, yet the directors feel assured that the liberality which they were thus enabled to exercise towards its customers, will tend to the advantage of the Bank. The whole of the stock that was sold has since been replaced.

The Directors have to announce the resignation of Matthew Bolton Rennie, Esq., and they have to regret the retirement of Sir John Kirkland. The vacancies thus occasioned in the Board have been supplied by the election of James Denis de Vitre, Esq., and of George Hanson, Esq., subject to the confirmation of the present meeting.

The three Directors who go out by rotation this year, are Frederick Burmester, Esq., Chas. Gibbes, Esq., and Henry Harvey, Esq., who, being eligible, offer themselves for re-election.

LONDON AND WESTMINSTER BANK, 31st DEC., 1847.

Dr.		£	s.	d.
To proprietors for paid-up capital	988,882	0	0	
To the public for deposits	2,733,753	11	8	
To the public for circular notes	13,533	1	0	
To rest or surplus fund	96,424	12	1	
To profits of the past year	58,223	4	10	
	£3,890,816	9	7	

Cr.						£	s.	d.
By Government securities	..	..	..	..	..	791,899	0	0
By other securities	..	..	..	..	..	2,377,591	19	8
By cash in hand	..	..	..	..	..	721,325	9	11
						£3,890,816	9	7

PROFIT AND LOSS, 31st Dec., 1847.

Dr.						£	s.	d.
Payment of the dividend on the 10th September, 1847, at the rate of six per cent. per annum, on a capital of £800,000, for the half-year ending 30th of June	..	..	..	..	..	24,000	0	0
Payment of the dividend now declared at the rate of six per cent. per annum on a capital of £1,000,000, for the half-year ending 31st December, 1847	..	..	..	..	..	30,000	0	0
Balance of unappropriated Profits	..	..	..	..	..	100,647	16	11
						£154,647	16	11

Cr.						£	s.	d.
Balance of unappropriated profits on 31st December, 1846	..	..	..	..	..	98,424	12	1
Deduct additional payment to the directors, by vote of the general meeting	..	..	..	..	..	2,000	0	0
						96,424	12	1

Net profits of the year 1847, after defraying the total expense of management, paying the income tax, and making provision for all bad and doubtful debts	58,223	4	10
						£154,647	16	11

Balance of unappropriated profits	£100,647	16	11
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The foregoing report and statements having been read to the meeting, it was unanimously resolved—That the report read be adopted; that it be recommended to the directors that there should be a half-yearly meeting for considering the dividend as early in the year as may be convenient; that the directors named in the report be re-elected: and that the thanks of the meeting be presented to the Directors, to James William Gilbart, Esq., the general manager, to the managers, and to the other officers of the Bank, for their zealous and effective services; and to David Salomons, Esq., for his able and courteous conduct in the chair.

THE LIVERPOOL COMMERCIAL BANK.

The annual meeting of the shareholders in this bank was held on 11th March, and the Manager read the following report of the Directors:—

“The fifteenth annual meeting of the proprietors of the Liverpool Commercial Banking Company has been called in pursuance of the provisions of the deed of settlement, to receive the annual report, and to elect three directors in the place of those whose office now expires. The directors have to present to the proprietors their report for the year terminating on the 31st December last. The profits of the business for the year, over and above all expenses,

amounted to £43,122 0s. 2d., from which two half-yearly dividends of 5 per cent. each on the capital stock, £338,600, were declared, and the balance, £9,262 0s. 2d., has been carried to the reserved fund for losses. This fund was in credit £3,765 16s. 9d., in consequence of reversions to that amount having been received from previous doubtful debts, beyond what was anticipated when those debts were written off. The combined sum, £14,027 16s. 11d. now stands to meet the contingencies of the past year, and will, the directors hope, be sufficient for that purpose. The valuation of the property in which the reserved surplus fund is invested, taken on the 31st December last, according to the provisions of the deed of settlement, reduced the value of those investments by £50,282 11s. 6d., and the reserved surplus fund which, on the 31st December, 1846, was £200,721 13s., at present amounts to £150,439 1s. 6d., certainly a large reduction in value; but as there is not any class of security in regard to which a similar result would not have happened, the directors, in stating the fact, have to express their regret at the peculiarity of the times, with this further observation, that notwithstanding the nominal depression in market value, the income derived from the property has increased. The best attention of the directors will be given to the business of the bank, and the protection of the property of the shareholders."

The chairman, after a few observations personal to himself, said that he hoped the report which had been read to them would, in these precarious and extraordinary times, be considered satisfactory to them, and that the nominal depreciation in the value of the reserved surplus fund would be removed by a return of commercial and trading prosperity. The amount of the surplus fund which was invested in railway securities was £93,000. They had not, from the reserve of profits maintained to meet casualties, wholly escaped them; but they confidently hoped that the general good fortune which had uniformly distinguished the bank would continue; and that, as their transactions had always been kept within moderate bounds, the general pressure which had visited all commercial affairs would not bear upon them beyond their own share.

In answer to a question from Mr. Smith, the chairman said, that the chief depreciation in their investments had happened in railway property.

Mr. Hoyer, of Southampton, wished to know if the bank had any foreign railway stock? The chairman replied in the negative.

COMMERCIAL BANK OF ENGLAND.

At the Annual Meeting of the Shareholders, held 9th February, 1848, at Manchester, the Directors, appointed after the suspension of this Bank some years since, to wind up its affairs, presented the following Report:—

"In presenting their Eighth Annual Report to the shareholders of the Commercial Bank of England, the directors appointed after the suspension to wind up the affairs of the Company, refer, with unmingled satisfaction, to the result of their labours during the past year.

"By the well-timed and successful realization of one considerable portion of the assets, the directors have been enabled, besides paying the money awarded at the last Annual Meeting, to make a return of three shillings per share to those shareholders who have paid the call in full. By this second return, the amount of the call has been reduced from thirty shillings to twenty-four shillings and sixpence per share; and the directors have reason to know, that the return has given a very seasonable relief to many of the shareholders.

"In making the return of three shillings per share, at a period of great monetary pressure, it was the wish of the directors to distribute every farthing

that could with propriety be spared; and it will be seen by the accounts of the inspectors, that the actual balance over liabilities is reduced to £323 3s. 3d., and that the directors have ventured to depend upon the result of the contingencies for the future expense of carrying on, and closing the concern. The shareholders will therefore perceive, that any further return must depend entirely upon circumstances, and that it can only take place at the dissolution of the Company, if at all. But the directors do not need to assure their constituents, that they will gather up every fragment of the wreck of this unfortunate concern, and that they can have no greater satisfaction than that which will arise from their ability to make a further distribution, however small it may be.

"The directors have been engaged during several months in a minute re-examination of every claim of the Company upon individuals, however arising. In this investigation they have had the assistance of Mr. Perry, the able editor of the *Bankrupt and Insolvent Gazette*, who has sought out every particular relating to several hundred persons in different parts of the kingdom, and is still engaged in this necessary but troublesome inquiry. This is one of the measures which the directors have taken, with a view to the complete realization of the assets, and the preparation of that detailed account of the transactions of the Bank, which will be the concluding act of their long labours. Such a document, carefully drawn up, and certified as to its accuracy by the examination of competent accountants, will, they believe, convey to the shareholders a considerable amount of useful information; and may not be without its value as a warning to the community.

"The directors have to lament the loss of the late Richard Shaw, Esq., who has been for several years one of the inspectors of the Bank. His amiable manners and high principle, combined with a thorough knowledge of the affairs, rendered his services most valuable. The directors have fortunately prevailed upon George Clover, Esq., to take the place of Mr. Shaw, and they recommend the appointment of that gentleman to the meeting.

"As the Bank is necessarily kept open by causes over which the Directors can exercise little or no control, it is impossible for them to fix with certainty the period of dissolution. After having watched over the welfare of the Shareholders for so many years, and at so great a sacrifice of their personal interest, the Acting Directors are extremely anxious to arrive at the termination of their labours. They are also reminded by the loss of one after another of their associates, that life is passing away; and the Shareholders may be assured, that as they will not leave office before they have completed their task, they will not sustain the burden an hour longer than is required for the safety of those whose interests have been entrusted to their care, and whose entire confidence has been their support and reward."

The Inspectors in their report say: "They have every year had occasion to express their entire satisfaction with the conduct of the Acting Manchester Directors; and they now repeat that it is to those Gentlemen,—to the prudence with which they have managed the affairs of the Company—to the minute attention they have paid to every account from which anything could be obtained,—and to the strict economy which they have carried into all the necessary expenditure;—that the Shareholders are indebted for their safety, and for the satisfactory progress of the winding-up. The Inspectors feel that the Directors are entitled to every return which the gratitude of the Shareholders can make, for long, faithful, and successful labours, and a great sacrifice of time and personal interest.

THE COMMERCIAL BANK OF ENGLAND, 1ST JANUARY, 1848.

DR.	£	s.	d.		CR.	£	s.	d.
To Balances of Current Accounts—estimated Amount of Law Bills not yet sent in—and other Expenses	440	19	2		By Cash on hand, and in Banker's hands, to meet Notes still in Circulation	284	2	4
To Circulation, being Notes unpaid ..	925	0	0		By Balances of Current Accounts—Dividends on Bankrupts' Estates—Money receivable from Property and Bills of Exchange, deducting Estimated Contingencies	1,723	17	4
To Drafts unpaid ..	213	9	9					
To Dividends unpaid ..	35	10	0					
To Return unpaid ..	69	17	6					
Total Liabilities ..	1,684	16	5					
To Balance ..	323	3	3					
	£2,007	19	8					
					By Balance, 1st January, 1848	£323	3	3
						£2,007	19	8

[We have great pleasure in directing the attention of our readers to the above proceedings, as affording convincing evidence of the *safety* of the Joint Stock principle of banking, even when gross mismanagement and waste of the property of the shareholders are chargeable against the original founders and conductors of a bank. That such was the case in regard to this bank was sufficiently established by our history of its career which appeared in the numbers of the *Magazine* for December, 1845, and January, 1846. Notwithstanding the loss of considerably more than the original capital, and the existence of liabilities to the extent of nearly a million and a half, at the time of the suspension, the public have been paid in full, with interest, long ago, and the shareholders have been protected from legal annoyance; not a single instance of hostile proceedings for a debt owing by the bank having at any time occurred. This fortunate position is to be attributed mainly, if not solely, to the appointment, at the commencement of the difficulties, of men of known character and ability to wind up the concern; and to the great energy, patience, skill, and prudence with which they performed their arduous duties. Those gentlemen who have lately been called upon to perform similar duties for the banks that, during the recent crisis, have been forced into liquidation, will do well to take a lesson from the history of the winding up of the Commercial Bank of England. Ed. B. M.]

THE EXCHANGE BANK OF SCOTLAND.

At the Annual Meeting of Shareholders held on the 2nd of February last, at Edinburgh, the directors presented a very full Report of the proceedings of the bank during the past year, from which we make the following extracts:

"The report and abstract statement of the affairs of the bank, as at 31st December 1847, show that the net profits realised during the past year, after setting aside in a suspense account £10,000, to meet any losses that may hereafter emerge, amount to £22,114 7s. 10d., which enables the directors to declare a dividend at the rate of 6 per cent. per annum, free from Income Tax, on the paid up capital of £350,000, being £21,000, and leaving a small balance of £469 7s. 10d., to be carried to the credit of the reserved fund, which will thus amount to £15,482 6s. 7d. The dividend for the first half-year to be payable on the 7th inst.; and for the second half-year, on the 7th of August next, to the Shareholders registered on 1st August.

"That the directors have been able to lay before the Proprietary so favour-

able a balance sheet arises, to a great extent, from the fact, that in making loans, they have been contented with a more moderate rate of interest and commission than that charged by many competitors in the same business; while, by following this course, they have generally been able to obtain larger margins in stock above the amount of their advances. A very large proportion of the loans were made with margins of from 25 to 33 per cent., although the borrowers, as they often stated, were aware that, by paying a higher rate of interest and commission to other companies, they could have obtained loans on a margin of only 20 per cent.

"In addition to this, the right, which the directors always reserved, to claim from the borrowers three-fourths of any falls that might take place in the value of the securities, was freely exercised wherever practicable; and, in consequence, the securities now held by the bank stand in a very favourable position. Even at the present low prices of shares, were the whole of their securities converted into cash, there would, excepting in a very few cases, be a considerable reversion to the borrowers, after paying the principal and interest of their loans; and there is not the slightest probability of any ultimate loss being sustained by the bank on more than four or five of these loans. But, even if a considerable loss should ultimately arise, the directors consider that it will be amply provided for by the £10,000 already mentioned. It may be stated, respecting the four or five doubtful cases, that a margin of only 20 per cent. was originally accepted; and this circumstance has strengthened the opinion of the directors, that ample margins, even although accompanied with lower rates of interest, are at once most profitable for the bank, and most beneficial for the borrowers; and, therefore, that such transactions should always obtain a preference.

"The loans of all the borrowers from the bank, without exception, were renewed during the past year when required, on the margins being made up to the proper limit; so that no one has had cause to complain that his interests have been sacrificed by forcing him to sell his stock at an unfavourable period. During a period of fourteen months, the deposits have increased more than three-fold, from £127,040 to £381,285, as appears from the monthly returns published in the *Edinburgh Gazette*, in terms of the Royal Charter, viz.:—

"Deposits as at 31st December, 1846			£127,040
Ditto	as published in Jan. (29), 1847		170,160
Ditto	ditto Feb.		219,302
Ditto	ditto March		252,953
Ditto	ditto April		268,035
Ditto	ditto May		288,496
Ditto	ditto June		304,453
Ditto	ditto July		313,942
Ditto	ditto August		319,336
Ditto	ditto Sept.		325,835
Ditto	ditto Oct.		333,803
Ditto	ditto Nov.		348,803
Ditto	ditto Dec.		352,454
Ditto	ditto Jan. 1848		359,071
Ditto	ditto Feb. (1)		381,285

"This proof of public confidence is the more gratifying, from the fact that not more than 5 per cent. interest has been allowed on deposits, although higher rates could have been obtained by depositors in other quarters.

"Notwithstanding the large amount of railway stock held in security by the bank, the directors have been enabled regularly to pay all calls as they became due; and, at present, there is not a shilling of arrears standing on any share held by the bank. The directors have always been careful with regard to the nature of the securities on which they made advances. They have invariably declined to advance on the scrip of new lines, and have very seldom

lent on any stocks except those of companies incorporated by Act of Parliament. At the present time, the advances by the bank amount nearly to three quarters of a million.

"During a period of two years and three months in which the bank has been carrying on business, the aggregate amount of loans on the shares of unincorporated companies has been only £13,300, whilst the other loans have amounted to not much less than two millions sterling. The bank has never lent on the security of its own shares, nor does it hold any of its own stock directly or indirectly. The whole paid up capital of the bank is thus, *bona fide*, employed in its proper business.

"Taking the whole circumstances of the bank into account, and especially looking at the continued increase of the deposits, the directors entertain a confident hope that it will continue to be a safe and profitable investment for all connected with it. In the deposit department the proprietors themselves have a great deal in their power; and, by recommending their friends to give favourable consideration to the advantages held out by the bank, they may materially add to its prosperity."

Communications

To the Editor of the Bankers' Magazine.

THE INCOME TAX—AS TO PAYMENT BY MORTGAGORS.

SIR,—In your April number will you have the goodness to favor me with your opinion on the annexed case, under the Property and Income Tax Act. *A* is proprietor of an heritable estate, land, and having £10,000 borrowed on Mortgage from *B*, and £3,000 on personal security from *C*.

When *A* pays the Interest, he retains 7*d.* in the pound from both as Income Tax. *A*'s Tenant, in occupation of the whole Land, pays the Property Tax thereon, and retains it out of the rent paid *A*.

When *A* makes the return of his own Income, is he bound to return the Tax retained from *B* and *C* in addition, or is the amount of this Tax held to be already paid, by the Tenant's payment on the whole property?

Or if this is not the case, does not *A*, as proprietor, pay Property Tax not only on the full value of the Estate, but on £13,000 beyond it?

Your answer will oblige your constant reader,

Edinburgh, 4th March, 1848.

W. S.

[It appears to us that *A* is right in retaining 7*d.* in the pound from the Interest he pays *B* and *C*, and that *A*'s tenant is right in retaining the like sum out of the rent paid to *A*. The sums thus retained are paid over by *A* and his tenant to the Government. But the amount retained by *A* does not come out of his income, but out of the incomes of *B* and *C*, and is charged on the profit made on the £13,000 lent by them, and not on *A*'s estate. The only sum that is borne by *A* is the amount his tenant retains.—ED. B.M.]

AS TO CHEQUES DRAWN SPECIALLY, PAYABLE TO A PAYEE.

SIR,—I shall feel much obliged by your informing me, through the medium of your valuable Magazine, whether or not a banker is justified in paying a cheque drawn without the words "or bearer," inserted after the payee's name, supposing the latter, on presenting the same for payment, could be identified as the proper party; or if it bore his endorsement and made its appearance at the bank through known hands.

As there is a variance between town and country bankers in cases of this kind, I shall feel obliged by your opinion on the subject.

I am, Sir, &c.,

A CONSTANT READER.

[If a cheque is made specially payable to any party, by the words "or bearer" being omitted in the document, it is not transferrable, and must be paid to the individual specified as the payee. the same as in the case of Letters of Credit; and the banker must use his own discretion as to the identification of the payee.

It should be observed, however, that a cheque of this kind is liable to penalties under the Stamp Act, (being in fact a Bill of Exchange.) See 9. G. IV. c. 49, s. 15. In *Rex v. Yates*, Carrington's Criminal Law, 273, the twelve Judges decided that a cheque payable to a person by name, and omitting the words "to," "or bearer," was not within the exemption in the Stamp Act, and ought to have been stamped as a Bill of Exchange. We think it is the custom for some bankers to require the payee of such a cheque to give a receipt for the amount upon a stamp.—*Ed. B.M.*]

BANKRUPTS INCORRECTLY DESCRIBED AS "BANKERS" IN THE GAZETTES.

Sir,—In your March Number, I observe you notice the bankruptcy of Hugh Tod and Henry David Hill, described as of "Edinburgh, *Bankers*." It is proper to explain that these parties are Writers to the Signet and not Bankers, but being shareholders in one of the Scotch Banks, they are, as a matter of form, described as bankers, because writers or solicitors are not *as such*, amenable to the Bankruptcy laws. There is only one private bank remaining in Scotland at the present time—that of Alexander Allen & Co., of Edinburgh—and it is not a bank of issue.

Erroneous impressions, to the prejudice of bankers, both in England and Scotland, are derived from the bankruptcy returns, because by far the greater number of persons therein described as *bankers* are not so in reality, but are merely *shareholders* in some joint-stock banking company, whose liabilities have nothing whatever to do with their failure, and the term is used solely to bring them, as traders, within the operation of the bankruptcy laws. Even Sir Robert Peel condescended to strengthen his case, when introducing his Bill of 1844, by erroneously including these men as bankrupt *bankers*.

I am, sir, &c.,

17th March, 1848.

A. P.

FINANCIAL AFFAIRS IN FRANCE.

A respected *Correspondent* makes the following remarks on this subject in a private letter recently received.

"I am sorry I cannot send you any useful information beyond that which you possess regarding the Bank of France; though I have always examined all banking transactions in that country, I have not for a long period recorded any statistics. I fully agree with the late Sir H. Parkhill (Lord Congleton), that many of the disastrous effects resulting from monopoly in banking, were ameliorated in that country by the Bank of France having maintained a uniform rate of 4 per cent. discount—and though no doubt we would have experienced all the variations between the scarcity and abundance of the circulating medium in this country—we would have entirely escaped the ruinous crises and panics of 1826, 1836 and 1847, had the Bank of England pursued the same course: your talented correspondent, Mr. RAE, appears to hold the same opinion.

"While events of immense importance are unceasingly chasing each other in France, it is difficult, if not impossible, to form any correct judgment as to the future. I believe much good will arise ultimately from the present revolution,

both in France and throughout Europe—it is more difficult to form a judgment as to the amount of evil that may be committed in passing through the ordeals. We have the examples of the revolutions of 1793 and 1830 to guide us. That a most vicious and corrupt system of government was the sole cause of all three is certain, remembering the honesty, ability, and patriotism of the majority of the leading members of the first constituent assembly. I have always attributed the horrors of 1793 to the noble but suicidal act of that body, declaring themselves ineligible to be elected members of the succeeding one, which was composed of parties the entire reverse of their predecessors in all those qualifications. As life and property has hitherto been wonderfully respected amid such great excitement, I am inclined to hope that the example of 1830 will be followed with regard to peace and order. If the Provisional Government continue to command respect and maintain order, until the National Assembly frame a good constitution, all will go right. Much depends upon the character of the Provisional Government, and it is true the majority of its members are untried men; but they have gone on so far better than I anticipated, and I think our press would show wisdom by tendering them good advice, and encouraging them to pursue a good course, instead of denouncing the past, and predicting future evils: by doing so, whatever may be the event, we would gain the friendship of all parties worth having in that country.

“A restriction from cash payments is contrary to justice, and to every sound principle in social economy; but if in such an emergency no other course could have been adopted to maintain order, check the run for coin, and restore confidence, and if cash payments are restored directly they are obtained, I think it may be considered a well-timed and wise measure, and which, to the last accounts I have seen, appears to have worked well. Unfortunately, there is not a single instance on record in any country, wherein either a Government circulation, or that of a private bank connected with and possessing a monopoly under Government, has not been based and depreciated; on the other hand, it is impossible to depreciate a circulation payable in coin on demand, in any country wherein a free competition exists among the issuers.

“An article, showing the inability and disastrous effects of the *assignats*, will tend to prevent their being resorted to at present, and so do much good. I am glad you have undertaken it.”

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF MARCH, 1848.

THE month which is on the point of expiring must undoubtedly be regarded as one of the most remarkable periods, not merely in the history of this country, but of the European continent. In this place we have no concern with the political events which have followed each other in such rapid and bewildering succession, except as they may influence the financial questions of the hour. But regarded merely from this special point of view it would be difficult to overstate either their immediate or their prospective importance.

The violent fluctuations and the rapid decline in the price of the English funds which we noticed in our last review, has continued with scarcely any intermission up to the period at which we write (the 28th March, 1848). In the week ending 26th February (1848), the price of Consols varied from 89½ to 87¼—and in the week

ended 25th March (1848), the oscillation was between 80½ and 81½. These changes, however, comparatively severe as they may be, sink into insignificance when compared with the enormous depreciation which has taken place in the market value of all continental government securities. The following short table will well repay a careful perusal.

	At 18th Feb. 1848.	At 24th March, 1848.
Dutch 2½ per Cents.	54½	40
„ 4 per Cent. Certificates.	85½	61
Russian Bonds 5 per Cents.	111	87
Belgian Bonds 4½ per Cent.	90	58
French Rentes 5 per Cent.	117 francs	65 francs
„ „ 3 per Cent.	74	51
Bank of France Shares.	3,190	1,600

The longest fall here exhibited is in the case of French and Belgian investments, and the circumstance is abundantly accounted for by the combination of unsettled politics, and utterly disorganized finances, with which both these countries have been so suddenly overwhelmed.

But the march of depreciation has extended beyond British or Foreign state funds, and has included even the best of our own railways, as the following table of comparative prices will show :—

Railways.	At 19th Feb., 1848.	At 24th March, 1848.
Great Western	102	92
Lancashire and Yorkshire (Manchester and Leeds) ..	79	72
Brighton	37	30
London and North Western	147	128
London and South Western	52	46
Midland	116	100
York and North Midland.	75	62

Now there can be no question that the extraordinary career of receding prices exhibited by these three statements of figures is to be traced almost exclusively to a feeling of panic. Intrinsically there is no reason why the shares of the *London and North Western Railway* should be worth ten per cent. less on the 24th March than on the 19th Feb.; and the same observation applies with almost as great an emphasis to each of the other instances put down on our list. It is the infelicity of sentiments of panic to pay little regard to considerations of intrinsic estimation; and in the present ominous state of the future, we can easily understand how the impetuosity of the timid and the unthinking, to get hold of as much hard cash as they can grasp, should lead to an inordinate sacrifice of sound and substantial property. There can be no hope of any restoration of the price of the continental securities for some time; but we may perhaps hope for some change in the negotiable value of the best of our own railways—a species of property which cannot very well be stolen, and is not very likely to evaporate.

THE STATE OF TRADE.

The reports from the manufacturing districts, we are sorry to say, are rather worse this month. Before the outbreaks in France and Germany there was understood to be a fair amount of orders on hand in Lancashire for continental account. These have, in a great measure, been countermanded. The uncertainty of peace, and the insecurity of property in most of the great consuming districts of Europe, has naturally put a complete stop in many cases to the ordinary operations of commerce; and the same causes supply an adequate reason why our own shippers should not be willing to encourage anything but a ready money trade. The consequences are obvious, but not the less lamentable. There has been a further limitation of employment, as will be seen by the following statement of the condition of Manchester, as reported by the police authorities :—

		Mills. 1848.			Work people. 1848.	
		15th Feb.	21st Mar.		15th Feb.	21st Mar.
Working full time	..	153	138	..	33,296	30,249
Working short time	..	35	49	..	3,659	5,505
Stopped work	..	17	21	..	7,613	8,785
Total number	..	205	208	..	44,568	44,539

Under the effects of shortened production, and further advices of an average crop, the price of cotton has again begun to fall, and we may now, perhaps, conclude with some confidence that for a time we shall not hear any serious complaints of the high price of this vital commodity.

THE CORN TRADE.

The *Gazette* averages have been :—

Weeks ended, 1848.		Qrs. sold		Weekly average.		Six Weeks' average.		Duty.		Corresponding Six Weeks Last Year.
Feb. 19	..	101,441	..	50 11	..	51 11	..	nil	..	72 7
„ 26	..	94,863	..	50 2	..	51 5	..	„	..	73 4
Mar. 4	..	86,463	..	49 11	..	50 10	..	7 0	..	73 6
„ 11	..	87,921	..	49 2	..	50 7	..	7 0	..	73 4
„ 18	..	99,689	..	50 4	..	50 5	..	7 0	..	73 8

There is little to be observed with reference to these returns. During the last two or three weeks a slight departure took place from the equanimity which has signalized the Corn Trade throughout the autumn and winter. The partial excitement was originated by the unsettled and very unfavourable character of the weather. It was reported that the cold and incessant rains which have fallen during the greater part of last month and the present had begun to exercise a decidedly injurious effect upon the young crops, and so far as it went this was a fair justification for higher prices. The weather however has somewhat improved, and the markets are again resuming their accustomed appearance.

Without professing to be able to say how far the unpropitious season hitherto has injured the prospects of the harvest, it may be well to caution our readers against attaching any disproportionate importance to circumstances of this kind at so early a period of the year. The present season is not unlike the corresponding season of 1842, and yet by the aid of a hot and sunny June and July the early casualties of that year were most abundantly retrieved. Mr. Tooke says, with reference to the harvest of 1842, in his new and valuable volume, “The weather becoming suddenly fine and warm in June, a great and most beneficial change took place in the appearance of the crops. Indeed, so sudden was the change, that I heard at the time from persons who were among the best informed in the corn trade, that the alteration for the better caused by the bright and hot weather of the first fortnight of June might pass as something almost miraculous.” We need not remind our agricultural readers that the crop of 1842 was not only an unusually large one, but was gathered a couple of weeks before the usual time.

It will be seen by the above table that the Corn Law of 1846 is again in force. It came into revived operation on the 1st of March (1848), and at present the maximum rate of duty applies.

BANK OF ENGLAND.

The Returns have been :—

Date. 1848.	Circulation.		Public Deposits.		Private Deposits.		Total Deposits.		Rest.		Total Liabilities.
Feb. .. 19	18.95	..	6.03	..	9.79	..	15.82	..	3.80	..	38.58
26	19.01	..	6.42	..	9.55	..	15.97	..	3.74	..	38.71
Mar. .. 4	19.20	..	6.57	..	9.25	..	15.82	..	3.98	..	39.01
11	18.53	..	6.88	..	9.52	..	16.40	..	3.98	..	38.92
18	18.31	..	6.96	..	9.77	..	16.73	..	3.99	..	39.04

ASSETS.

Date. 1848.	Public Securities.	Private Securities.	Bullion in Banking De- partment.	Bullion in Issue De- partment.	Total Bullion.	Total Assets.
Feb. .. 19	11.57 ..	12.44 ..	10.48 ..	4.09 ..	14.57 ..	38.58
26	11.57 ..	12.38 ..	10.58 ..	4.18 ..	14.76 ..	38.71
Mar. .. 4	11.57 ..	12.56 ..	10.50 ..	4.37 ..	14.87 ..	39.01
11	11.57 ..	12.40 ..	11.25 ..	3.70 ..	14.95 ..	38.92
18	11.57 ..	12.34 ..	11.67 ..	3.45 ..	15.12 ..	39.04

The most remarkable features in these returns are the very large amount of the *reserve* in the banking department, and also the very large amount of the aggregate stock of bullion. The banking reserve is more than a million higher than it has been at any period since the act of 1844 came into force. The highest point at which it has stood previous to the present returns, was on the 19th of September, 1846, when it was set down at £10,370,000. On the same day the total amount of the bullion was £16,309,000. It will be seen from the figures of the 18th of March (1848), that we are still about a million short of this—the highest former accumulation of treasure. There is, however, the strongest reason to believe that the influx of the metals to this country will continue until the bullion not only reaches its previous maximum, but even exceeds it in a very material degree.

The low amount of the *private securities* and of the *circulation* is also worthy of notice. The lowest former point of the private securities was on the 12th September, 1846, when they stood at £11,770,000. The bank minimum rate was then 3 per cent. It is now 4 per cent.; but in both cases it was at least one-half per cent. above the market price for the discount of the class of paper to which the directors limit their advances. So long as the bank rate is beyond the market rate the private securities will almost infallibly run off: and it constitutes an important clause in what appears to us to be the true theory of the management of the Bank of England, that in seasons undisturbed by extraordinary excitements, the bank rate should be purposely pitched a fraction above the current value of capital. Not so far above it, perhaps, as to give any colour to the supposition that the Bank was artificially sustaining the rate of interest; but sufficiently in advance of the quotations of the day as to induce a diminution rather than an increase of its advances, and consequently an increase rather than a decline in the strength and resources of its position. This strength and these resources will then be at the command of the directors, when a change in the aspect of the times and the temper of the money market again throws upon the Bank of England the task of maintaining, by prudent and rational means, the trade and credit of the country.

We regard it as peculiarly fortunate that the directors, either under the influence of these views, or of considerations analogous to them in their results, have so far disregarded the mischievous injunctions of the present charter as to suspend their active competition with the discount bankers. As far as the law is concerned, there is no reason why the Bank rate should not be ten shillings below instead of ten shillings above the quotations in Lombard Street; and if the directors have had the good sense to abstain from a course of policy which would have impaired instead of augmented the power of the Bank to encounter an emergency, we must not commit the palpable error of attributing it to new laws instead of to old and sagacious traditions.

INFLUENCE OF CONTINENTAL EVENTS, &c.

There can be little doubt, that so long as this country can refrain from intermeddling with the confused politics of the Continent, we are much more likely to be enriched than impoverished by the events which are taking place elsewhere. The overthrow of the French dynasty gave the signal to an immense number of the proprietors of capital throughout Europe to lose no time in transferring it to the safest quarter—and that quarter, with very few exceptions, has been England. The influx of these

funds enables us to explain in some measure the steady and even buoyant condition of the Consol market during the last ten or fourteen days. And it is quite notorious that large amounts of foreign capital are still waiting for a favourable moment of investment in the securities bearing the guarantee of the good name of England.

The suspension of specie payments by the *Bank of France*, by the *Bank of Belgium*, and by the *Société Générale* at Brussels, must be regarded as the virtual commencement of an issue of depreciated paper in both these countries. The *maximum* limits inserted in the decrees authorising these suspensions may or may not be uttered in good faith, but they can be regarded as nothing better than acknowledgments paid to decency at a moment when so gross and deplorable a violation of solvency could no longer be avoided.

March 29th.—The news of the Austrian troops being driven out of Milan, which arrived to-day, has had a depressing effect on the funds—*Consols* closed to day at 82 for money and the account. In the course of the day they were quoted as low as 81½ to ¾.

The French Funds at Paris, on the 28th March, were done as follows:—*Five per Cents.*, 57½ f., but closed at 61 f. *Three per Cents.*, 38 f., but closed at 41½ f.

THE FAILURES ON THE CONTINENT.

The following is a summary of the principal bank failures and suspensions of business which have been announced since our last publication in addition to the above.

Messrs. Charles Lafitte, Blount, and Company have issued a circular to their correspondents, announcing the suspension of their payments. In this circular they say, "there is nothing in the state of our affairs which should create alarm. The realization of our resources has only been momentarily suspended, and we only require a short delay to fulfil all our engagements."

The *Presse* states that a meeting of the creditors of the banking-house of Gouin and Co. was held on the 10th inst., which was numerously attended. Several of the creditors were of opinion that it was desirable the house should resume business, and in order to enable it to do so it was proposed that 25,000,000 f. (£1,000,000) should be subscribed. The proposal was approved of by the majority; and it was resolved that if that sum should be subscribed within ten days, the house would resume its operations, but if not, the affairs of the bank should be wound up.

On Monday, 13th March, the following notice was exhibited at the door of the banking-house of Messrs. Baudon and Co.:—"After great efforts to fulfil the duties which circumstances have imposed upon us, the 'Central Bank of Commerce and of Railways' (Baudon's), finds itself under the necessity of yielding before insurmountable difficulties. They suspend temporarily all their affairs and payments. Measures will be taken for a general meeting of the shareholders."

On the same day two other bankers stopped payment—viz. Messrs. Estienne, De la Chaume and Company, 25, Rue St. George, and Messrs. Fourchon and Company, 41, Rue de Provence. The former of these houses had an extensive Paris connexion, principally with builders; and its stoppage will have the effect of throwing a large number of workmen out of employment. The business of the latter was on a very limited scale.

On Wednesday, 15th March, three additional failures were announced; those of Messrs. Ganneron and Company, Messrs. Bechet, del Thomas, and Company, and Messrs. Chedeaux and Company, all of them bankers of reputation.

Mr. Charles Pagny, banker, has also suspended payments.

The bankers at Paris who are understood to have declined all further business for the present are Messrs. Hottinguer, Delessert, Mallett Brothers, Rougemont de Lowenberg and Fould, Oppenheim and Company.

At Amsterdam, numerous commercial failures have taken place, the parties last announced being Messrs. Rutgers and Rosenberg, Beeldsnyder, De Hoan, Dommer and Co., Lemaïson and Brewer, Mendes da Costa, Mendes de Leon and Co., Westendorp and Co., Pollock and Dhoe, Castellan and Co., Swarth and Schellwald, Bleeker and Poosting, De Gafar, Francken and Co., De Haen and Co., Lamaïson and Bower, G. T. Dick, Overmans and Sons, Koopman, Boissevain, T. D. Ruys, Pieterse and Rema, Kooseboom, and Carp and Co. Some of the above it is hoped will resume payments. As regards the banking houses of Swarth and Schellwald, and Bleeker and Joosting, which have stopped, it is feared that the deficiency is very large, especially that of the former house, whose liabilities amount to 500,000 or 600,000 florins. The house of Carp and Co., which stopped payment on Saturday last, is only (it is said) in a temporary state of stagnation, and will, it is hoped, soon resume payment. The commercial crisis is fearful in Amsterdam.

The Belgian papers state that the oldest banking-house in Valenciennes, viz., that of M. G. Serret and Co., has suspended payment. The firm was a highly respectable one, and we believe it was to some extent connected with the iron trade.

The house of L. S. Konigswater, of Paris, has announced, by circular, its suspension, and going into liquidation. It is stated that no loss will be suffered by the holders of its bills, or other creditors, eventually, the stoppage being occasioned by the temporary embarrassments of other houses indebted to it. Time only is requested from the creditors, when all will be paid in full. The failure of Bontoux, Delahante, and Co., a great house at Lyons, comes reported. A branch of the house at Paris had already suspended.

Letters from Paris mention the failure of A. Bourget and Co., discount bankers. It is also stated that the parties interested in the bank of Baudon and Co. have had a meeting, at which it has been agreed that their establishment shall liquidate, under the inspection of five commissioners, two to be named by the shareholders, and three by the creditors.

The advices from Havre are disastrous. No less than eight houses have failed, and others were certain immediately to follow. Most of them have property and goods in their hands, together with portfolios full of bills; all, however, inconvertible in the present state of universal fear. Not a single banking-house is doing any business; those who have avoided stoppage being equally impotent, as far as any power of assisting commerce is concerned, with those which have fallen. Amongst the principal suspensions announced in the present letters, are—Quertier and Godefroy, Lamoisse P. Devot and Co., Widow Melun and Co., E. de Pierre, and Courant and Co.

From Neufchatel we have intelligence of the failure of F. Perret and Sons, an influential banking firm, followed by the suicide of the acting partner. The people of Neufchatel, it is said, will suffer most severely from the failure of the French bankers, with whom they have been in the habit of leaving large deposits.

The following extract of a letter from Antwerp, will convey a description of the recent and present state of business in that city:—

“Antwerp has never been visited by such a financial crisis as the present. The first cause was the sudden announcement that the Belgian Bank would no longer discount; the second, the suspension of the Commercial Bank, which held about £160,000 deposits of merchants; the third, the panic which resulted from this suspension, and which produced a general run for specie; and the fourth, the general refusal to receive in payment anything but coin, which the bankers during two days were unable to supply. Luckily all these evils have now ceased, without our having to deplore any irremediable events, all our houses remaining as solvent as before. Money begins to come in on all sides; and the new law, authorising the circulation of English sovereigns at a legal exchange of 25*fr.* 50*c.* leads us to expect a good supply.”

Notes of the Month and Intelligence.

ALTERATION OF BANKING HOURS.—We are glad to be able to announce that the attempt to procure an alteration in the time of closing the London Banks for “counter business” daily, is at length successful. On and after the 1st of May next, the several banking-houses in London will close at four o’clock in the afternoon, instead of five o’clock as heretofore. All the city bankers and joint-stock banks, including the Bank of England, have acceded to the alteration, and notice has been given to all their customers of the intended change. We stated some time since, that nearly all the bankers had then agreed to the proposal, and that it only waited for the acquiescence of one or two firms, who have now sanctioned the reform. The “clearing” will continue at five o’clock as heretofore, and the public will therefore experience no difficulty as regards the payment of bills up to that hour, the same as at present. The only change will be that cheques must in future be presented for payment before four o’clock daily.

THE LIABILITIES OF THE BANK OF NEW SOUTH WALES, on the 30th September, are mentioned as £290,701 12*s.* 4*d.*, against assets amounting to £432,722 18*s.* 3*d.*

PROPERTY AND INCOME TAX, (FROM THE PARLIAMENTARY RETURNS.)
—Product of Property and Income-tax for the year ending 5th April, 1846:

Amount of Income.		Number of Persons.		Amount received.
£150 to	£200 to April, 1846,	38,392		£177,980
200 "	300 "	29,441	..	192,083
300 "	400 "	14,599	..	136,514
400 "	500 "	7,244	..	89,658
500 "	600 "	5,388	..	81,782
600 "	700 "	3,062	..	55,864
700 "	800 "	2,065	..	44,162
800 "	900 "	1,656	..	39,825
900 "	1,000 "	924	..	25,184
1,000 "	2,000 "	5,237	..	201,955
2,000 "	3,000 "	1,523	..	162,475
3,000 "	4,000 "	717	..	69,089
4,000 "	5,000 "	392	..	49,570
5,000 "	10,000 "	793	..	151,886
10,000 "	50,000 "	319	..	165,457
50,000 and upwards	" "	16	..	34,966

The numbers of persons in receipt of salaries, pensions, annuities, and other payments, who paid the tax in the like period, 26,671. Of this number, 8,683 paid on incomes of £150 and under £200; 8,570 on £200 and under £300; 3,702 on £300 and under £400; 2,018 on £400 and under £500; 957 on £500 and under £600; 543 on £600 and under £700; 488 on £700 and under £800; 268 on £800 and under £900; 150 on £900 and under £1,000; 808 on £1,000 and under £1,500; 204 on £1,500 and under £2,000; 153 on £2,000 and under £3,000; 46 on £3,000 and under £4,000; 26 on £4,000 and under £5,000; and 55 on 3,000 and upwards. The total amount of income and property-tax received in the year ending the 5th of April, 1846, was £5,603,443; and that received for the year ending April 5, 1847, £5,593,109.

FORGERY OF BANK OF ENGLAND NOTES.—A well-executed forgery of £5 Bank of England notes is now in circulation. The watermark is perfect, though perhaps rather more strongly developed than in the genuine note. They are numbered ^M_L 50,395; dated 16th February, 1846, apparently issued from the branch bank of England at Manchester, and are signed "H. Hogden." So well has the forgery been executed, that one of these notes was paid into a bank in Liverpool; by the bankers it was paid to a firm, who again paid it to a foreign mercantile house; and it was only upon the note being presented at the Bank of England in London that the forgery was discovered. The only fault was the incompleteness of the figure of Britannia in the left hand upper corner. Other notes, one of which is in the possession of the police, of the same date, and evidently from the same plate, are in circulation. We were at first led to believe that the forgery had been effected by the *anastatic* process of printing, but we are informed that the note and signature are engraved. It will be borne in mind that several country banks have lately been forged upon successfully.

EXTENSIVE BANK FORGERIES AT LEAMINGTON.—A very extensive forgery of the £5 note of the Leamington branch of the *Warwick and Leamington Banking Company* has just been discovered. It seems that last Wednesday evening, immediately after bank hours, and just at the conclusion of the

sporting at Leamington, a systematic gang (similar to the one at Sheffield after the Doncaster races) began to pass £5 notes, which were forgeries on the Warwick and Leamington Bank. They succeeded at various shops, principally of the smaller kind, in paying away nearly £60 of the forged notes before any suspicion was excited; but, by the extreme activity of the police, eleven of the men concerned in the uttering were taken. The notes are well executed, and all dated 1st January, 1848. They are printed on a paper of a bluish tint, rather greasy appearance, and about half an inch shorter than the genuine note of that date. The signature, "Henry Summerfield," and the date, and entering clerk's name, "A. Ransford," are lithographed. There is no comma after the word "Leamington," written immediately preceding the date; there are no dots under the "No." following the date, and the open work in the italic capitals of the title, "Warwick and Leamington Banking Company," is much more crowded.—*Sheffield Times*.

THE CORN LAWS.—The first day of March ultimo, the privilege granted by the acts of the past session of Parliament for the free importation of all kinds of corn, grain, meal, and flour, and also the temporary suspension of the navigation laws in regard to the introduction of such articles, ceased to exist, and the present duties and laws are in full force.

THE LATE ST. ALBAN'S AND HERTS BANK.—The whole of the notes of this bank in circulation at the time of its stoppage on the 2nd December last have been paid in full.—*Hertford Mercury*.

SPECIE FROM INDIA.—Half a million sterling in specie has been ordered home from India by the East India Company, as to which the *Calcutta Star* says:—"The exportation of specie to Europe by government at a moment when private credit is nearly extinct, has excited great ferment in the bazaar, although the matter has not been noticed generally. Considering the almost entire stoppage of bullion importation from China, Singapore, and Burmah, we cannot but apprehend that this financial expedient, dictated according to report by Sir Charles Wood, will in two or three months entail consequences not clearly weighed, unless the Bank of Bengal intervene with an extended issue of notes."

STOPPAGE OF THE ISLE OF MAN COMMERCIAL BANK.—The following circular has been addressed to the creditors of the Isle of Man Commercial Bank, announcing the suspension of payments by that establishment:—

"Sir,—It has become my painful duty to acquaint you, that in consequence of large and unexpected demands having lately been made on this establishment, the directors deem it advisable to suspend the business of the bank for the present.

"A general meeting of the shareholders will be held immediately, in order that a statement of the company's affairs may be laid before them, and the fullest information given, for the satisfaction of the public.

"The directors entertain a confident expectation that before long they will be in a position to resume operations; and in the mean time they feel it their duty to state that the creditors of the bank may rest satisfied that all claims will be fully paid, with interest—arrangements being now in progress for effecting that object without delay.—I am, &c.

(Signed)

"H. D. DICKIE, Jun., Assistant Manager."

THE ENGLISH FUNDS.—Daily Prices from February 29th, 1848, to March 29th, 1848, inclusive.

	29	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28
Bank Stock (div. 9 per Ct.)	195	191	191	194	194	194	194	194	190	193	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut	shut
3 per Ct. Red. Anns.	82½	82	82	82½	82½	82½	82½	82	82	81	80½	80½	80½	80½	80½	81½	80½	81	81	81	81½	81½	82½	82½	82½	82½	82½	82½	82½
3 per Ct. Consols Anns.	82½	82	82	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½	82½
3 per cent. Anns. 1726	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½
3 per cent. Anns.	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½
New 5 per cent. Anns.	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
Long Anns. Jan. 5, 1850	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
Ditto 30 years, Oct. 10, 1850	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
Ditto 30 years, Jan. 5, 1850	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
Ditto 30 years, Jan. 5, 1850	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81	81
India Stock (div. 10½ per cent.)	233	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p	49p
Ditto Bonds £1000 (div. 4½ p. c.)	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p
Ditto, under £1000	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p	5p
South Sea Stock (div. 3½ p. c.)	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½
Do. Old Anns. (div. 3 p. c.)	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½
Do. new Anns. (div. 3 p. c.)	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½
3 per cent. Anns. 1761 do.	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½
Bank Stock for acct. Jan. 18	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½
3 p. Cent. Cons. for opg. do. 18	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½
India Stock for opg. do. 18	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½	80½
3 per cent. Consols Scrip	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p	13p
Ex. Bill £1000, 3d.	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p
Ditto. £5000 do.	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p
Ditto. Small do.	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p	7p
Ditto. Advertised	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p	10p

JOINT STOCK BANKS.

	Latest Price.
Australasia	£20 0
British North American	50 0
Commercial of London	20 0
London and Westminster	20 0
Ditto, New	7 0
London Joint Stock	50 10 0
Provincial of Ireland	100 25 0
Ditto, New	10 0
National of Ireland	50 23 10
National Provincial of England	100 35 0
Ditto, New	20 10 0
Union of Australia	25 0
Union of London	50 10 15

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 5 per Cent.	—
Belgian Bonds, 4½ per Cent.	—
Brazilian Bonds, 5 per Cent.	70
Buenos Ayres Bonds, 6 per Cent.	—
Cuba Bonds, 6 per Cent.	—
Chilian Bonds, 6 per Cent.	—
Columbian Bonds, Deferred, 6 per Cent.	—
Danish 5 per Cent.	—
Greek Bonds 1824—25, 5 per Cent.	—
Granda	13½
Mexican 5 per Cent., 1845.	15½
Peruvian Bonds, 6 per Cent.	24
Prussian Bonds, 4 per Cent.	—
Portuguese Bonds, 4 per Cent.	15
Russian Bonds, 1822, 5½ per Cent. in 2 Sters.	85
Spanish Bonds 3 per C. div. from Nov. 1840	124
Ditto, Passive Bonds	34
Ditto, Deferred	—
Ditto, 3 per Cent. Spanish Bonds	22
Ditto, 3 per Cent. Venezuela Bonds	—
(Dividends on the above payable in London.)	
Dutch 2½ per Cent.	40½
Ditto 4 per Cent. Loan	60
French 5 per Cent., at Paris 25th Mar. 54. 50c.	—
Ditto 3 per Cent., ditto	41. 50c.

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. Feb. 20th.	1848. Mar. 4th.	1848. Mar. 11th.	1848. Mar. 18th.
Notes issued	£ 28,101,940	£ 28,205,830	£ 28,235,615	£ 28,414,360
Government debt.	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	2,984,900	2,984,900	2,984,900	2,984,900
Gold coin and bullion	12,658,612	12,702,502	12,792,287	12,889,500
Silver bullion	1,443,228	1,443,228	1,443,228	1,394,800
	28,101,940	28,205,830	28,235,615	28,414,360

BANKING DEPARTMENT.

	1848. Feb. 20th.	1848. Mar. 4th.	1848. Mar. 11th.	1848. Mar. 18th.
Proprietors' capital.	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve	2,799,209	2,900,840	2,904,871	2,901,820
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts)	6,417,011	6,874,785	6,922,063	6,957,222
Other deposits	9,550,829	9,249,804	9,555,211	9,772,110
Seven day and other bills	820,928	820,200	820,622	809,742
	25,069,222	25,198,609	25,755,767	26,144,794
Government securities (including Dead Weight Annuity)	11,574,921	11,574,921	11,574,921	11,572,180
Other securities	12,959,241	12,115,450	12,954,792	12,950,863
Notes	9,922,185	9,822,215	10,544,895	10,907,279
Gold and silver coin	656,875	656,897	711,549	708,781
	25,089,222	25,168,689	25,785,767	26,144,794

The Exchanges.

	Mar. 3rd.	Mar. 10th.	Mar. 17th.	Mar. 24th.	Mar. 31st.
Amsterdam, 3 months	12 0	—	12 6	—	12 6½
Ditto at sight	12 1½	—	—	12 2	12 2
Rotterdam, short	12 1½	—	12 6½	—	—
Antwerp, 3 months	26	26	26 70	—	—
Hamburg, ditto	14 15½	—	12 14	13 14½	13 15½
Paris, short	25 50	25 75	26 70	—	26 70
Paris, 3 months	25 80	26 0	—	—	—
Marseilles, ditto	25 0	26 20	—	28	—
Bordeaux, ditto	25 0	—	—	—	—
Frankfort, ditto	123	—	—	122	123
Vienna, ditto	10 17	—	—	—	—
Trieste, ditto	10 18	—	—	—	—
Madrid, ditto	46½	46	—	46½	—
Cadix, ditto	48½	—	—	47½	47½
Lisbon, ditto	31 10	31 60	—	—	—
Genoa, ditto	26 0	26 15	—	26 20	26 20
Naples, ditto	36½	38	—	—	—
Palermo, ditto	117½	—	—	—	—
Messina, ditto	117½	—	—	—	—
Lisbon, 60 days' date	51½	51½	—	—	—
Oporto, ditto	52	51½	—	—	—
Rio Janeiro, ditto	25½	—	—	—	—

Bankers' Magazine Appendix, April, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTES.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Feb. 5.	Feb. 12.	Feb. 19.	Feb. 26.
	£	£	£	£	£
1 Andover Bank	17,751	9,110	9,860	8,979	10,390
2 Ashford Bank.....	11,849	10,585	8,909	8,706	8,357
3 Aylesham Bank	5,854	5,428	5,259	5,269	5,007
4 Aylesbury Old Bank	48,461	31,177	29,145	29,537	29,353
5 Baldock and Biggleswade Bank ..	37,223	26,768	26,476	26,743	27,857
6 Barnstable Bank	17,182	11,135	10,775	10,860	10,619
7 Basingstoke and Odiham Bank....	24,730	16,962	17,003	17,078	16,972
8 Bedford Bank.....	34,218	30,609	30,179	27,892	28,270
9 Bedford and Bedfordshire Bank ..	8,515	6,550	6,714	5,821	6,233
10 Bewdley Bank	18,597	13,183	12,668	12,363	12,353
11 Bicester and Oxfordshire Bank....	27,090	14,348	14,435	14,938	14,352
12 Birmingham Bank—Attwoods & Co.	23,695	23,298	23,048	23,048	22,448
13 Birmingham and Warwickshire Bk.	18,132	12,403	12,701	12,676	12,230
14 Blandford Bank	9,723	8,037	7,890	7,854	7,584
15 Boston Bank—Garfit and Co.	75,069	59,198	55,930	56,147	54,752
16 Boston Bank—Gee and Co.	15,161	13,691	13,083	12,785	14,905
17 Bridgewater Bank	10,028	7,019	6,574	7,015	7,197
18 Bristol Bank	48,277	32,766	31,972	30,319	29,762
19 Broseley and Bridgenorth Bank ..	26,717	20,122	20,460	19,424	18,875
20 Buckingham Bank.....	29,657	19,387	18,156	18,750	18,621
21 Bury and Suffolk Bank	82,362	69,608	69,018	68,008	65,920
22 Banbury Bank	43,457	25,046	23,819	21,819	24,619
23 Banbury Old Bank	55,153	37,402	36,494	37,023	36,567
24 Bath City Bank	4,572	2,812	2,880	3,159	3,098
25 Bedfordshire Leighton Buzzard Bk.	36,829	30,825	31,532	30,433	29,859
26 Birmingham Bank—Taylor & Lloyds	38,816	31,475	30,110	29,245	27,332
27 Bradford Old Bank	12,676	11,315	12,439	12,610	11,521
28 Brecon Old Bank	68,271	48,121	53,415	49,951	49,050
29 Brighton Union Bank	33,794	32,799	32,322	31,401	29,710
30 Burlington and Driffield Bank	12,745	11,638	11,157	10,848	10,158
31 Bury St. Edmund's Bank.....	3,201	2,374	2,251	2,271	3,085
32 Bromsgrove Bank	16,799	14,714	14,284	14,310	14,849
33 Cambridge Bank—Mortlock & Son's	25,744	21,207	20,732	20,818	20,287
34 Cambridge and Cambridgeshire Bk.	49,916	41,494	40,497	41,596	41,323
35 Canterbury Bank	33,671	29,399	27,740	27,189	25,751
36 Carmarthen Bank	23,597	16,529	17,142	16,786	16,265
37 Chertsey Bank	3,436	3,284	3,228	3,005	2,701
38 Colchester Bank.....	25,082	18,610	18,038	17,572	18,052
39 Colchester and Essex Bank	48,704	35,645	35,075	34,330	32,896
40 Cornish Bank.....	49,869	39,339	37,501	36,470	36,686
41 Coventry Bank	12,045	9,145	9,845	9,566	8,995
42 City Bank, Exeter.....	21,527	14,003	14,019	14,407	14,905
43 Craven Bank	77,154	63,035	63,881	65,235	47,446
44 Christchurch Bank.....	2,840	1,580	1,791	1,772	1,765
45 Cardiff Bank	7,001	5,637	5,560	5,691	5,646
46 Chepstow Old Bank	9,387	5,755	5,875	5,826	5,566
47 Derby Bank—Messrs. Evans	13,332	12,634	13,722	12,465	11,944
48 Derby Bank—Smith and Co.	41,304	32,936	30,180	31,508	31,765
49 Derby Old Bank	27,237	27,830	25,456	25,481	24,918
50 Devizes and Wiltshire Bank	20,674	10,682	10,747	10,747	10,712
51 Diss Bank	10,657	10,421	10,413	10,472	10,530
52 Doncaster Bank.....	13,881	6,253	6,253	6,253	
53 Doncaster Bank and Retford Bank	63,519	55,863	54,921	54,886	57,393

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Feb. 1.	Feb. 12.	Feb. 19.	Feb. 26.
	£	£	£	£	£
54 Darlington Bank	86,218	61,307	62,824	65,989	63,055
55 Devonport Bank	10,664	9,500	9,050	9,168	9,735
56 Dorchester Old Bank	48,807	32,637	32,170	33,600	32,308
57 East Cornwall Bank	112,280	83,928	82,641	79,200	76,586
58 East Riding Bank	53,392	45,779	44,377	43,144	43,585
59 Essex Bk. & Bishops Stortford Bk.	69,637	44,374	43,133	44,425	41,497
60 Exeter Bank	37,894	23,363	23,358	22,889	22,157
61 Fakenham Bank	24,293	18,604	18,500	18,145	17,960
62 Faringdon Bank & Bk. of Wantage	8,977	4,253	4,365	4,611	4,869
63 Farnham Bank	14,202	12,073	12,070	12,064	11,770
64 Faversham Bank	6,681	4,565	4,325	4,645	4,408
65 Godalming Bank	6,322	5,128	5,320	6,193	5,809
66 Grantham Bank—Kewney & King	19,401	16,614	16,636	15,834	15,537
67 Guildford Bank	14,524	11,809	11,962	11,396	10,890
68 Grantham Bank—Hardy & Co...	30,372	21,597	21,943	21,262	21,391
69 Hastings Old Bank	38,038	25,272	25,658	24,360	24,491
70 Hereford City and County Bank..	22,364	15,478	15,324	14,958	14,395
71 Hertford and Ware Bank	23,635	22,003	21,684	20,094	20,669
72 Hull & Kingston-upon-Hull Bank	19,979	18,747	18,513	18,200	18,006
73 Huntingdon Town & County Bank	56,591	39,118	39,028	39,123	39,234
74 Harwich Bank	5,778	4,588	4,474	4,524	4,461
75 Hemel Hempstead Bank	23,842	18,606	18,402	18,387	18,008
76 Hertfordshire, Hitchin Bank	38,764	31,414	32,120	30,970	31,487
77 Hereford, Ross, & Archenfield Bk.	27,625	21,595	22,896	20,870	19,785
78 Ipswich Bank	21,901	20,450	19,174	19,022	19,024
79 Ipswich & Needham Market Bank	80,699	72,225	71,971	71,213	72,383
80 Kentish Bank	19,895	14,352	14,075	13,514	13,095
81 Kingston and Radnorshire Bank ..	26,050	18,447	18,638	19,486	20,027
82 Knighton Bank	9,090	5,911	5,960	5,799	5,756
83 Knaresborough Old Bank	21,825	18,734	18,156	17,920	17,981
84 Kendal Bank	44,663	35,843	36,886	42,032	39,557
85 Kettering Bank	9,192	7,259	7,133	7,388	7,561
86 Lane End Staffordshire Bank	5,624	5,455	5,402	5,413	5,465
87 Leeds Bank	53,357	54,821	54,291	50,979	49,081
88 Leeds Union Bank	37,459	32,960	33,449	33,202	32,222
89 Leicester Bank	32,322	24,596	23,828	23,494	22,689
90 Lewes Old Bank	44,836	31,453	31,261	30,233	30,935
91 Lichfield Bank	22,786	20,622	19,770	18,700	18,234
92 Lincoln Bank	100,342	80,982	77,300	76,339	75,243
93 Llandoverly Bank & Llandilo Bank	32,945	11,910	12,151	11,940	11,161
94 Loughborough Bank	7,359	7,131	6,613	6,768	6,864
95 Lymington Bank	5,038	3,645	3,659	3,354	3,433
96 Lynn Regis and Lincolnshire Bank	42,817	38,724	37,337	37,639	36,290
97 Lynn Regis and Norfolk Bank ..	13,917	13,225	13,267	13,534	13,475
98 Macclesfield Bank	15,760	10,698	10,758	10,742	10,100
99 Manningtree Bank	7,692	6,265	6,333	6,056	5,730
100 Marlborough Bank	19,073	11,630	12,080	11,781	11,645
101 Marlboro & North Wilts. New Bk.	12,490	7,409	7,382	6,555	6,627
102 Merionethshire Bank	10,906	4,992	4,728	4,836	4,792
103 Miners' Bank	18,688	14,218	14,024	13,552	13,555
104 Monmouthsh. Agricul. & Com. Bk.	29,335	25,236	27,100	23,841	23,205
105 Monmouth Old Bank	16,385	9,647	10,586	10,626	10,912
106 Monmouthshire Newport Old Bank	8,600	7,809	7,736	7,894	8,077
107 Newark Bank	28,788	24,948	25,065	24,086	22,813
108 Newark and Sleaford Bank	51,615	45,723	43,288	43,302	42,613
109 Newbury Bank	36,787	18,835	18,435	17,893	18,350
110 Newmarket Bank	23,098	18,298	17,410	17,367	17,372
111 Norfolk and Suffolk Bank	4,551	2,055	2,131	2,139	2,125

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Feb. 5.	Feb. 12.	Feb. 19.	Feb. 26.
112 Norwich Crown Bank	£ 45,120	£ 40,530	£ 40,303	£ 39,539	£ 39,608
113 Norwich and Norfolk Bank	75,372	62,982	62,748	62,530	59,212
114 Nottingham & Nottinghamsh. Bk.	10,866	9,035	9,216	9,364	9,523
115 Nuneaton Bank	5,898	4,006	3,956	3,832	3,724
116 Naval Bank, Plymouth	27,321	21,648	21,432	20,690	19,365
117 New Sarum Bank	15,659	8,644	9,266	9,385	9,383
118 Nottingham Bank	31,047	27,012	26,135	26,257	26,828
119 Oswestry Bank	18,471	10,518	9,362	9,189	8,835
120 Oxford Bank	14,277	10,069	10,060	10,360	10,141
121 Oxford Old Bank	34,391	27,763	10,256	31,144	29,929
122 Old Bank Tonbridge	13,183	8,375	7,941	7,458	7,256
123 Oxfordshire Witney Bank	11,852	8,494	7,815	7,641	8,009
124 Pease's Old Bank, Hull	48,807	46,086	45,494	45,294	44,435
125 Penzance Bank	11,405	9,845	9,685	9,496	9,189
126 Peterborough Bank—Yorke & Co.	12,545	6,794	7,308	7,135	7,504
127 Peterborough Bk.—Simpson & Co.	12,832	10,698	10,982	11,270	10,401
128 Pembrokehire Bank	12,910	7,775	7,396	7,060	6,940
129 Reading Bank—Simmonds & Co.	37,519	24,283	24,645	24,547	24,948
130 Reading Bank—Stephens & Blandy	43,271	24,509	25,400	24,547	23,282
131 Richmond Bank, York	6,889	4,020	4,014	4,165	4,401
132 Ringwood and Poole Bank	11,856	9,139	8,971	8,630	7,912
133 Rochdale Bank	5,590	4,595	4,211	3,715	3,811
134 Rochester, Chatham, & Strood Bk.	10,480	9,251	8,988	8,593	8,878
135 Royston Bank	16,393	13,858	14,038	13,744	13,184
136 Rugby Bank	17,250	13,284	12,734	12,454	12,516
137 Rye Bank	29,864	14,697	14,066	13,397	13,671
138 Reigate and Dorking Bank	13,700	10,364	10,918	10,355	10,594
139 Ross Old Bank, Herefordshire ..	7,420	4,584	4,203	4,015	3,951
140 Saffron Walden & North Essex Bk.	47,646	35,707	35,696	36,258	36,204
141 Salop Bank	22,338	9,869	9,859	9,401	10,060
142 Scarborough Old Bank	24,813	23,856	23,763	23,776	23,552
143 Shrewsbury Old Bank	43,191	25,616	27,042	26,061	24,944
144 Sittingbourne and Milton Bank ..	4,789	2,965	2,993	2,844	2,804
145 Southampton Town & County Bk.	18,589	14,122	13,132	11,864	11,473
146 Southwell Bank	14,744	13,160	12,823	12,145	12,497
147 St. Albans Bank	3,743	975	884	751	864
148 Southampton and Hampshire Bank	6,770	3,425	3,285	3,065	2,975
149 Stone Bank	9,154	4,859	4,400	4,571	4,906
150 Stourbridge Bank	17,295	13,723	13,000	12,963	12,507
151 Stafford Old Bank	14,166	14,366	13,015	12,865	12,628
152 Stamford and Rutland Bank	31,858	26,783	26,814	25,201	23,499
153 Stourbridge Old Bank	17,560	16,803	15,969	15,813	17,819
154 Shrewsbury and Welsh Pool Bank	25,336				
155 St. Albans and Herts Bank	2,333	15,440	16,561	16,025	15,796
156 Taunton Bank	29,799	19,492	19,094	18,245	17,775
157 Tavistock Bank	13,421	8,124	8,395	8,680	8,009
158 Thornbury Bank	10,026	7,868	7,515	7,950	7,575
159 Tiverton and Devonshire Bank ..	13,470	7,115	6,904	6,655	6,226
160 Thrapstone and Kettering Bank ..	11,559	10,315	10,544	10,739	10,430
161 Tring Bank and Chesham Bank ..	13,531	11,386	10,972	11,034	11,366
162 Towcester Old Bank	10,801	8,188	7,978	7,979	7,877
163 Union Bank, Cornwall	17,003	8,133	8,450	7,590	7,215
164 Uxbridge Old Bank	25,136	19,758	19,566	20,328	19,281
165 Wallingford Bank	17,064	6,133	6,090	6,171	5,763
166 Warwick and Warwickshire Bank	30,504	24,951	23,204	23,342	23,124
167 Wellington Bank, Somerset	6,528	2,478	2,310	2,311	2,121
168 West Riding Bank	46,158	43,812	42,930	40,972	39,869
169 Whitby Old Bank	14,258	13,412	13,529	13,507	13,562

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Feb. 5.	Feb. 12.	Feb. 19.	Feb. 26.
	£	£	£	£	£
170 Winchester, Alresford & Alton Bk.	25,892	17,644	17,401	17,856	18,258
171 Winchester and Hampshire Bank	6,737	4,671	4,515	4,394	4,087
172 Weymouth Old Bank	16,461	9,752	9,890	10,068	9,570
173 Wirksworth and Derbyshire Bank	37,602	32,741	30,766	30,256	28,866
174 Wisbech and Lincolnshire Bank..	59,713	49,761	48,159	48,920	47,820
175 Wiveliscombe Bknk.....	7,602	5,553	5,978	6,128	5,898
176 Wolverhampton Bank—Goodricke & Co.	14,180	12,507	12,366	12,385	11,845
177 Worcester Bank	15,463	9,530	9,766	9,483	9,418
178 Worcester Old Bank	87,448	70,242	70,319	70,254	70,032
179 Worcestershire Bank	14,309	9,718	8,956	9,114	9,405
180 Walsall Old Bank	19,937	17,924	17,300	16,299	16,969
181 Warminster and Wiltshire Bank..	24,896	13,165	13,643	12,549	12,894
182 Wrexham Bank	3,289	1,751	1,690	1,443	1,385
183 Wolverhampton Bank—R. & W. Fryer	11,867	8,547	7,510	6,820	7,164
184 Yarmouth and Suffolk Bank	53,060	49,605	48,443	47,732	48,020
185 Yarmouth, Norfolk, & Suffolk Bk.	13,229	10,694	10,992	10,944	10,296
186 Yeovil Old Bank	10,033	5,837	5,704	5,883	6,059
187 York Bank	46,387	40,308	40,144	38,980	38,467

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	7,503	7,706	8,370	8,178
2 Barnsley Banking Company	9,563	7,340	7,521	7,374	7,476
3 Bradford Banking Company.....	49,292	42,808	41,338	41,822	40,509
4 Bilston District Banking Company	9,418	9,076	9,076	9,195	8,965
5 Bank of Whitehaven.....	32,681	29,938	29,989	29,765	29,057
6 Bradford Commercial Banking Co.	20,084	14,047	13,564	12,989	13,095
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	48,897	47,536	49,309	50,242
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	8,109	7,610	7,370	7,164
9 Cumberland Union Banking Co. .	35,395	29,517	28,565	28,588	28,746
10 Cheltenham & Glo'stershire Bk. Co.	12,786	9,145	9,346	9,410	9,038
11 Coventry & Warwickshire Bk. Co.	28,734	20,566	21,084	20,190	18,925
12 Coventry Union Banking Company	16,251	11,719	11,807	11,063	10,509
13 County of Gloucester Banking Co.	144,352	93,962	95,760	94,740	94,558
14 Carlisle & Cumberland Banking Co.	25,610	20,861	20,950	21,680	21,900
15 Carlisle City and District Bank...	19,972	17,948	18,223	19,427	18,640
16 Dudley & West Bromwich Bkg. Co.	37,696	33,100	32,795	32,333	32,659
17 Derby and Derbyshire Banking Co.	20,093	18,685	17,491	16,935	17,880
18 Darlington Dist. Joint Stock Bk. Co.	26,134	13,586	14,331	15,664	15,234
19 East of England Bank	25,025	23,575	23,325	23,155	23,075
20 Gloucestershire Banking Company	155,920	124,297	122,687	119,016	118,087
21 Halifax Joint Stock Bank.....	18,534	12,346	12,319	12,115	11,947
22 Huddersfield Banking Company ..	37,354	31,960	33,194	31,453	31,281
23 Hull Banking Company	29,333	27,325	27,035	26,485	27,040
24 Halifax Commercial Banking Co..	13,733	9,102	9,610	9,244	8,920
25 Halifax & Huddersfield Union Bank	44,137	28,669	28,280	26,895	25,751
26 Helston Banking Company	1,503	1,511	1,560	1,520	1,375
27 Herefordshire Banking Company..	25,047	14,898	16,361	17,925	15,941
28 Knaresborough and Claro Bkg. Co.	28,059	22,255	21,382	21,027	21,310
29 Kingsbridge Joint Stock Bank	3,952	3,910	3,442	4,212	4,130
30 Lancaster Banking Company	64,311	51,682	55,035	69,402	69,677
31 Leeds Banking Company	23,076	22,322	22,958	22,280	21,834
32 Leicestershire Banking Company..	86,060	65,920	65,409	64,685	62,457
33 Lincoln and Lindsey Banking Co.	51,620	45,308	43,195	42,739	41,735
34 Leamington Priors & Warwicksh. Bk.	13,875	10,287	10,510	10,645	10,443
35 Ludlow and Tenbury Bank	10,215	7,950	9,056	8,404	8,249

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Feb. 5.	Feb. 12.	Feb. 19.	Feb. 26.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	20,698	20,380	20,303	20,527
37 Nottingham and Notts. Banking Co.	29,477	24,325	24,327	24,095	23,153
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	22,489	20,605	19,136	17,505
39 National Provincial Bk. of England	442,371	321,721	318,887	319,170	318,780
40 North Wilts Banking Company ..	63,939	41,430	41,770	41,944	40,109
41 Northamptonshire Union Bank ..	84,356	65,754	64,916	62,867	63,212
42 Northamptonshire Banking Co. ..	26,401	20,737	20,393	21,645	21,960
43 North and South Wales Bank	63,951	7,912	8,530	9,027	9,960
44 Pare's Leicestershire Banking Co.	59,300	47,236	47,581	46,967	46,545
45 Saddleworth Banking Company ..	8,122	1,963	1,844	1,548	1,467
46 Sheffield Banking Company	35,843	35,738	35,398	35,819	36,114
47 Stamford, Spalding & Boston Bk. Co.	55,721	45,867	46,630	44,846	44,240
48 Stuckey's Banking Company	356,976	234,022	233,023	233,400	230,934
49 Shropshire Banking Company	47,951	36,819	35,590	33,594	33,255
50 Stourbridge and Kidderminster Bk.	56,830	47,956	48,165	46,946	47,155
51 Sheffield and Hallamshire Bank ..	23,524	17,280	17,760	17,573	17,942
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	51,473	50,893	50,409	51,364
53 Swaledale and Wensleydale Bank..	54,372	41,122	40,905	43,560	44,493
54 Storey's and Thomas's Bank	9,714	9,291	9,855	9,585	9,912
55 Sheffield and Retford Bank	18,744	858	839	915	840
56 Wolverhampton & Staffordsh. Bank	35,378	27,920	28,340	28,138	27,614
57 Wakefield and Barnsley Union Bank	14,604	11,060	11,569	11,276	10,952
58 Whitehaven Joint Stock Bank	31,916	28,831	28,658	29,020	28,237
59 Warwick and Leamington Bkg. Co.	37,124	29,743	29,725	30,653	29,779
60 West of England and South Wales District Bank	83,535	59,944	62,298	58,168	57,652
61 Wilts and Dorset Banking Company	76,162	52,495	53,014	51,928	51,651
62 West Riding Union Banking Co. ...	34,029	26,182	25,665	25,182	24,714
63 Whitchurch and Ellesmere Bkg. Co.	7,475	2,657	2,579	2,599	3,101
64 Worcester City & County Bkg. Co.	6,848	3,884	3,760	4,215	4,518
65 York Union Banking Company ..	71,240	61,177	60,447	62,859	62,678
66 York City and County Banking Co.	94,695	81,610	81,535	81,592	80,887
67 Yorkshire Banking Company	122,532	99,641	101,198	99,202	97,333

Summary of the above Returns.

	Fixed Issues.	Feb. 5.	Feb. 12.	Feb. 19.	Feb. 26.
	£	£	£	£	£
187 Private Banks	4,880,389	3,706,158	3,663,961	3,617,940	3,544,504
67 Joint Stock Banks ..	3,409,987	2,519,959	2,517,129	2,516,537	2,494,610
254 Totals	8,290,376	6,226,117	6,181,090	6,134,477	6,039,114

Average Weekly Circulation of these Banks for the month ending February 26th:—

Private Banks

Joint Stock Banks

Average Weekly Circulation of Private and Joint Stock Banks

ending as above

On a comparison of the above with the Returns for the Month ending 29th Jan. last, it shows—

A decrease in the Notes of Private Banks, of

A decrease in the Notes of Joint Stock Banks, of

Total decrease on the Month

CIRCULATION RETURNS.

And, as compared with the Month ending the 27th February, 1847, it shows—

A decrease in the Notes of Private Banks, of £916,739

A decrease in the Notes of Joint Stock Banks, of 686,023

Total decrease, as compared with the same period of last year £1,602,762

The fixed issues of the several Banks of Issue in England and Wales, excepting the Bank of England, are now, according to the *Banking Almanac* for 1848, as follows:—

187 Private Banks, allowed to issue..... £4,880,389

67 Joint Stock Banks, allowed to issue..... 3,409,987

254

Total fixed issue £8,290,376

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are *below* their fixed issue £1,247,248

The Joint Stock Banks are *below* their fixed issue 897,928

Total *below* the fixed issue..... £2,145,176

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 26th day of February, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	99,961	220,990	320,951	165,894
Royal Bank of Scotland ..	183,000	59,351	120,481	179,832	89,176
British Linen Company....	438,024	112,911	265,852	378,763	143,336
Commercial Bk. of Scotland	374,880	144,176	282,097	426,273	136,576
National Bank of Scotland	297,024	84,748	190,532	275,280	76,760
Union Bank of Scotland ..	327,223	98,580	195,356	293,936	104,073
Edinburgh & Glasgow Bk.	136,657	48,652	71,282	119,934	40,471
Banking Com. in Aberdeen	88,467	25,156	67,663	92,820	28,678
Aberdeen Town and Co. Bk.	70,133	21,776	53,772	75,548	13,288
North of Scotland Bk. Co.	154,319	46,796	89,114	135,910	20,852
Dundee Banking Company	33,451	7,424	15,704	23,128	5,838
Eastern Bank of Scotland..	33,636	9,466	21,027	30,493	6,981
Western Bank of Scotland	337,938	96,124	261,796	357,920	134,096
Clydesdale Banking Co. ..	104,028	22,703	74,163	96,867	29,180
City of Glasgow Bank	72,921	40,107	55,381	95,488	59,487
Caledonian Banking Co. ..	53,434	14,062	36,139	50,202	13,368
Perth Banking Company ..	38,656	12,225	27,688	39,913	13,659
Central Bank of Scotland..	42,933	11,736	27,326	39,062	10,298
TOTALS (Scotch Banks) ..	3,087,209	955,954	2,076,363	3,032,320	1,092,011

IRISH BANKS.

Bank of Ireland	3,738,428	1,852,250	1,217,250	3,069,500	810,812
Provincial Bank.....	927,667	327,138	490,327	817,465	403,761
Belfast Bank	281,611	35,368	217,128	252,496	104,045
Northern Bank	243,440	22,041	157,517	179,558	53,721
Ulster Bank	311,079	21,542	200,427	221,969	61,410
National Bank	761,757	226,143	384,448	610,592	251,538
Carrick-on-Suir Nat. Bank	24,084	6,192	10,835	17,027	4,623
Clonmel National Bank ..	66,428	19,921	31,551	51,473	16,972
TOTALS (Irish Banks) ...	6,354,494	2,510,595	2,709,483	5,220,080	1,706,882

SUMMARY OF IRISH AND SCOTCH RETURNS TO FEB. 26th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 26th February, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £5,230,080
Average Circulation of the Scotch Banks 3,032,320

Total Average Circulation of these Banks for the past month £8,262,400

On comparing these amounts with the Returns for the month ending 29th January last, they show—

Decrease in the Circulation of Irish Banks £13,636
Decrease in the Circulation of Scotch Banks 128,702

Total decrease last month £142,438

And as compared with the month ending 27th February, 1847, they show—

Decrease in the Circulation of Irish Banks £1,809,973
Decrease in the Circulation of Scotch Banks 470,980

Total decrease on the year £2,280,953

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue ... £6,364,494
18 Banks in Scotland, allowed to issue 3,067,209

26 Banks in all, allowed to issue £9,431,703

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £1,134,418
Scotch Banks are below their fixed issue 54,599

Total below the fixed issue £1,189,017

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks £1,796,882
Gold and Silver held by the Scotch Banks 1,092,011

Total of Gold and Silver Coin £2,788,893

Being an increase of £42,136 on the part of the Irish Banks, and an increase of £9,141 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO FEB. 26th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 26th February, 1848.

Circulation of Notes for the Month ending February 26th, as compared with the previous month :

	Jan. 26, 1848.	Feb. 26, 1848.	Increase.	Decrease.
Bank of England.....	£18,977,446	£18,479,766	—	497,680
Private Banks	3,746,700	3,633,141	—	113,559
Joint Stock Banks	2,634,855	2,612,059	—	22,796
Total in England.....	25,358,001	24,724,966	—	633,035
Scotland.....	3,161,023	3,032,280	—	128,743
Ireland	5,233,916	5,320,060	—	13,536
United Kingdom.....	£32,652,939	£32,877,306	—	776,573

The comparison of the month ending February 27, 1847, with the month ending February 26, 1848, shows a decrease in the Bank of England circulation of £1,058,351, a decrease in Private Banks of £916,739, and a decrease in Joint Stock Banks of £686,023; being a total decrease in England of £2,661,113: while in Scotland there is a decrease of £470,980; and in Ireland a decrease of £1,809,973. Thus showing that the month ending February 26th, as compared with the same period last year, presents a decrease of £2,661,113 in England, and a decrease of £4,942,066 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending February 26th, gives an aggregate amount in both departments of £14,339,235. On a comparison of this with the Return for the month ending January 29th, there appears to be an increase of £1,346,963; and as compared with the month ending February 27th, 1847, being the corresponding period last year, there is an increase of £2,127,590.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 26th February, was £2,798,893, being an increase of £51,280, as compared with the preceding month, and a decrease of £705,902, as compared with the corresponding period last year.

THE UNIVERSITY OF CHICAGO

FOREIGN STOCKS (Latest Prices).

1

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1847. Nov. 27th.	1847. Dec. 4th.	1847. Dec. 11th.	1847. Dec. 18th.	1847. Dec. 24th.*
Notes issued.....	23,956,165	24,366,085	24,769,685	25,309,395	25,609,075
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	3,984,900	3,984,900	3,984,900	3,984,900	3,984,900
Gold coin and bullion.....	8,745,732	9,111,038	9,450,067	9,971,049	10,262,731
Silver bullion.....	1,210,433	1,255,047	1,319,678	1,338,346	1,346,344
	23,956,165	24,366,085	24,769,685	25,309,395	25,609,075

BANKING DEPARTMENT.

	1847. Nov. 27th.	1847. Dec. 4th.	1847. Dec. 11th.	1847. Dec. 18th.	1847. Dec. 24th.
Proprietors' capital.....	14,553,000	14,553,000	14,553,000	14,553,000	14,553,000
Reserve.....	3,629,567	3,587,004	3,661,390	3,669,416	3,618,579
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	7,799,572	7,799,527	8,229,759	8,763,497	9,235,975
Other deposits.....	8,238,534	8,441,289	8,457,376	8,666,976	8,243,363
Seven day and other bills.....	891,079	885,717	861,271	836,794	807,195
	35,041,772	35,226,537	35,682,796	36,389,673	36,457,952
Government securities (including Dead Weight Annuity).....	10,946,594	10,946,594	10,946,594	10,998,214	11,063,267
Other securities.....	18,531,810	18,070,409	17,630,931	17,158,338	16,979,660
Notes.....	4,986,590	5,883,026	6,448,760	7,551,140	7,726,190
Gold and silver coin.....	876,778	666,514	656,491	661,981	627,451
	35,041,772	35,226,537	35,682,796	36,389,673	36,457,952

* Note.—Christmas Day falling on Saturday, the account is made up to the day preceding.

The Exchanges.

	Dec. 3rd.	Dec. 10th.	Dec. 17th.	Dec. 24th.
Amsterdam, 3 months.....	12 7	12 7	12 6	12 5½
Ditto at sight.....	12 4	12 3	12 1½	12 2
Rotterdam, short.....	12 7½	12 7	12 6½	12 5½
Antwerp, 3 months.....	26 20	26 20	26 15	26 15
Hamburg, ditto.....	14 14	14	13 15½	13 14
Paris, short.....	25 65	25 65	25 65	25 70
Paris, 3 months.....	26	26	26 5	26 5
Marseilles, ditto.....	26 15	26 15	26 15	26 10
Bordeaux, ditto.....	26 20	26 15	26 15	26 10
Frankfort, ditto.....	123½	123½	123½	124
Vienna, ditto.....	10 21	10 20	10 20	10 21
Trieste, ditto.....	10 21	10 21	10 21	10 21
Madrid, ditto.....	46½	46½	46½	46½
Cadix, ditto.....	48½	48½	48½	48½
Leghorn, ditto.....	31 40	31 40	31 40	30 40
Genoa, ditto.....	26 20	26 20	26 15	26 15
Naples, ditto.....	39½	39½	39½	39½
Palermo, ditto.....	119	119	119	119
Messina, ditto.....	119	119	119	119½
Lisbon, 60 days' date.....	51½	—	51½	52
Oporto, ditto.....	51½	51½	51½	52½
Rio Janeiro, ditto.....	—	—	—	—

THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

MAY, 1848.

NOTICES OF THE PAPER MONEY AND BANKING INSTITUTIONS OF THE CONTINENT.

It is not the least perplexing feature in the present posture of continental affairs, that political disquietude is leading, in several quarters, to extreme financial embarrassment, and that this embarrassment does not fail to suggest schemes of resuscitation of the most hazardous complexion. Now it is either fortunate or unfortunate that a climax of this character is not by any means a new event in the history of the continental states. There have been, during the last two hundred years, several examples of extreme confusion and desperate measures in continental finance; and it can hardly be an unprofitable task at this moment, to seek, in the origin and issue of these great dilemmas, some guide and some assistance in the formation of an opinion relative to existing exigencies.

A curious and instructive treatise might be written on the influence of *prodigality* on the progress and the happiness of mankind, and especially on the progress and happiness of the nations of modern Europe, since the invention of printing. It may be laid down as an almost universal maxim, that it is the inevitable tendency of all governments, and above all of arbitrary governments, to run into debt—to spend more year by year than they have the means of paying—and to continue this improvident career, until the force of circumstances compels them to seek relief by the most disgraceful and pernicious expedients of subterfuge and confiscation. The course of events which introduces the final catastrophe is nearly always the same. There is first an enormous accumulation of public debt; there is then a con-

tinuous deficit in the ordinary revenue, because the dividends claimed by the state creditor absorbs so large a portion of the receipts of the exchequer, as to leave only a sum quite inadequate to defray the expenses of the civil and military establishments of the state; there is then an attempt to surmount the difficulty by the means of a circulation of paper, either convertible or compulsory; if convertible, it is presently discovered that the device is transitory and insufficient; if compulsory, it becomes equally plain, after a certain interval, that the form of the difficulty has been changed, but its magnitude in no degree diminished; and then the inevitable issue of the delusion is not far distant—the government turns boldly round upon the holders of its inconvertible promises to pay, and gives them the option of a partial or a complete repudiation.

The lapse of time brings with it a tardy cure for the evils thus introduced and thus inflicted; but it would be a most egregious omission to overlook the havoc and the decrepitude which devours every public interest, and intercepts every public improvement, during the long and gloomy interval of distrust and jeopardy which intervenes between the destruction of the old, and the creation of the new system of public confidence. It is to the recurrence of fatal visitations like this, in the history of nearly all the continental nations, as much as to natural infelicities and impediments, that we must ascribe, as a main cause, their comparatively feeble progress in the arts of civilization, and the conveniencies of competence.

The same lesson, concluded by the same moral, is to be gathered from the narrative of every attempt which has been made to sustain an extent of transactions and prosperity out of proportion to the *capital* and *industry* of a nation. Errors of this kind have not been so frequent or calamitous as those which have grown out of the extravagance and the necessities of states, because the command over the machine of legislation possessed by the merchant has hardly ever been so paramount as that possessed by the prince. To each, however, alike, the same law has applied, and the same consequence has resulted; and it fairly admits of question whether the utter inefficacy of arbitrary and unnatural abuses of credit, and its exponents, banking and paper circulation, are more vividly exemplified in the catastrophes of a national exchequer, or in the collapses of an unsound and deceptive commerce.

Impressed with these views, we feel that the most appropriate introduction to any outline of the present banking institutions of the continent will be some notice, however brief, of those remarkable events which have already taught mankind—or, which, at least, ought to have taught mankind—the real influence and

the true nature of banks of deposit and issue, as instruments in the hands of a needy or a sagacious executive.

We propose, therefore, to say something relative to the financial measures of the Regency, and of the career of the *Caisse d'Escompte*, of 1776, in France, and of the paper money of Austria and Russia.

First then as to the scheme of Law, the Scotchman, under the Regency of the Duke of Orleans.

The public debts of France at the death of Louis XIV. amounted to 3,111 millions *livres tournois*, and the annual interest (*rentes*) to about 86 millions. Of this enormous amount of debt a very large part was due within a short period—so much, it is said, as 700 millions, or one-fourth of the whole. The resources of the exchequer wherewith to meet these liabilities were lamentably insufficient. They were confined to an excess of about eight or nine millions of annual revenue over the annual expenditure. The case, therefore, was one of the most desperate character.

Several of the friends of the Regent advised him to summon the States-General, and under the cloke of their authority, promulgate a decree of national bankruptcy. This, however, was deemed somewhat too flagrant a profligacy, and succour was sought by less potent but not less fatal measures; and out of a host of projects the scheme of Law was honoured by the chief selection.

At this time of day, the world has very generally forgotten everything concerning this notorious man except his name, and the ignominious failure of his grand innovations. In many respects this is unfortunate; for while we do not believe that we have among us any man of mature intellect who could desire for a moment to revive the scenes of the South-Sea bubble, it is not the less certain that the *principles* adopted by Law are still entertained by many educated persons, apparently without the smallest suspicion of that nature, and their historical antecedents.

The substance of Law's philosophy has been so well epitomised, and so admirably exposed by Storch (*Cours d'Economie Politique*. St. Petersburg. 1815. 8vo. Tome sixieme, p. 144, *et seq.*), that we shall not hesitate to present a translation of the passages in point.

“‘Currency,’ said Law, and so say his disciples to this day, ‘is but a sign which represents the riches in circulation. Gold, silver, bronze, leather, notes, shells, and all other substances in use, for valuing or measuring real riches, are simply riches of confidence or of opinion, which form what is called *credit*. A louis d’or, a crown, are *billets*, of which the effigy of the prince is the signature. And as things only receive their value from the

purposes to which they are applied, it is indifferent whether we employ a louis d'or or a paper note of the same sum, or even shells, to represent all other values.'

"Is it needful to refute this sophism? It is plain that Law placed in the same class metallic currency and currency by convention; but there is this essential difference between them, that the one has a value direct and necessary, and that the other has not. Thus the first is not a sign, but real riches; the other, on the contrary, is merely a sign. The metallic currency has a need of confidence or of credit to preserve its value, because it is itself a species of riches, while the fictitious currency exists only by credit, that is to say, by the persuasion that it may be exchanged for metallic currency, or for other real riches.

"Without question, things receive their value only in accordance with the uses to which they are destined; but metallic currency has a double use,—it is used as money, and it is employed as a useful and valuable commodity; but fictitious currency is useful merely as currency.

"Further, gold and silver can only be obtained by long and difficult labour, which implies great cost, or very considerable expenses of production. The material of a fictitious currency, on the contrary, requires almost no labour, and consequently its quantity may be augmented at will. Again, the value of gold and silver is stable as far as any value can well be; the value of paper varies in accordance with popular opinion. It is *not* therefore indifferent whether we employ a coin or a note to represent all other values.

"Law having based his system upon this false principle, he was led into consequences the most absurd. 'In a country,' said he, 'where there exists no other currency but gold and silver, riches may be *really* augmented by introducing paper money.' This consequence there, up to a certain point, Law employed in an indeterminate sense. It is certain that paper money only so far increases the national riches as it replaces a metallic currency which, disengaged from its employment as money, is applicable to other uses, or to be exchanged against other commodities. Law, on the contrary, supposed that the metallic currency increased by the paper money would continue to circulate as money. He never entertained the apprehension that it was possible there could ever be too much currency in a country, that this superabundance might lead to the exportation or the hoarding of coin, and that the paper increased beyond the want of the circulation might lose its value. He conceived that the increase of the currency would have no other effect than that of lowering the rate of interest, and that it was absorbed by the prosperity of industry, and according to this view he saw in the

abundance of paper money only a means of public prosperity. But the rate of interest, as we all know, does not depend at all on the quantity of money in circulation: and the abundance of *currency* advances industry in the degree only that it is changed into capital.

“‘In a state,’ said Law, ‘where the people are not yet accustomed to credit (as was the case in France at the time in question), it is needful to be content at first to double the mass of currency, by adding to the coin an equal value in notes. The credit must not exceed the amount of the coin, in order that the notes may be always convertible into coin at the will of the holders.’

“Now it is hardly needful to point out, that in doubling the currency by the emission of paper money its value does not become doubled, and that by such a measure the coin is simply expelled from the circulation. But supposing for a moment that the coin could circulate concurrently with the paper money, and that it lost none of its value, it does not follow, as a consequence, that the notes would be always convertible into coin at the will of the bearer. On what funds are they charged? On all the metallic currency of the nation. But is all the currency in the possession of the prince or of the Bank which issues the notes? No, and even the revenues of the prince, which are destined to other purposes, are only a small part of the currency. Does each person consent that his money shall be pledged for the credit of the Bank and be required to pay its notes whenever required? No, certainly not. The credit then is without a foundation, without solvency. That is to say, the credit does not exist. The currency of a nation cannot form the guarantee for the notes which a sovereign or a bank may emit. This guarantee must be found in the treasury of the prince or in the coffers of the Bank, otherwise it is altogether a delusion.

“‘Such credit, however,’ said Law, ‘would be rather a multiplication of the coin than credit, for credit consists in the *excess of the notes over the coin*, and the advantage which is sought consists only in this excess.’ The absurdity of this doctrine is more palpable than any of the former. We have seen that Law regarded an entire nation in the light of a Banking Company, and that his reasoning was nearly as follows:—As a bank is able to extend the issue of its notes beyond the amount of its metallic funds, without the risk of compromising its solvency, a nation is able to do the same. It is only needful, for this purpose, to establish a bank, and to place in it all the currency of the nation, replacing such currency by notes. This project, gigantic and chimerical as it was, did not appear so to Law and the Regent. They believed the execution of the thing to be possible, and they tried it.”

The facts we have now to narrate will abundantly prove the accuracy and truth of these admirable reflections of Storch.

Law commenced his career in 1716, by the establishment of a *Bank of Circulation* at Paris, for the issue of notes payable in sight in coin of the same weight and fineness at that time actually in circulation, and by virtue of this clause he was able to place in circulation a considerable quantity of notes. On the 1st of January, 1719, when the concern became the *Banque Royale*, the issues with the public had reached 59 millions of livres. Since 1689, the French coinage has been disgraced by several degradations of the standard, and the comparative fixity of value conferred by the phraseology of these new paper notes was so well appreciated, that for some time they bore a premium of 1 per cent. compared with the metallic part of the circulation.

The success of this first adventure obtained great credit for its founder, and in the following year, 1717, Law was entrusted with the exclusive patents granted under the administration of Cardinal Richelieu to a society styled *La Compagnie d'Occident* (the Western Company). The capital of this company was immediately enlarged by the creation of 200,000 shares of 500 livres each (equal to 100,000,000 livres), to be paid for in a species of government security, called *Billets d'Etat*, bearing 4 per cent. interest. The irregularity with which the dividends on these securities had been for some time paid had gradually reduced the market value of a *Billet* of 500 livres down to between 160 and 170 livres. The company however disregarded this depreciation, and received them at their par value. By some arrangement with the Regent the title to the dividends on the 100,000,000 of *Billets* acquired by the company, through the sale of its shares, was paid with great punctuality, and hence the company were enabled to observe a similar promptitude of payment to their own shareholders; and marvellous as it may appear, out of this simple and apparently transparent circumstance, most of the subsequent hallucination seems to have arisen. The public saw that a species of property, worth only 160 livres, had been suddenly rendered worth 500 livres, and they appear to have concluded that this very desirable consequence had been brought about by some occult dexterity of Law and his *Compagnie d'Occident*. Suddenly, therefore, the market price of *all the rest* of the *Billets d'Etat* rose from 160 to 500 livres, and the French public became impatient for some further manifestation of the Scotchman's ingenuity.

Law's next step would seem to have been to represent to the regent the success of his bank of circulation, to point out that in exchange for his mere promise to pay he had acquired a very respectable quantity of the precious metals, and to sug-

gest to him that it would be quite easy, by modifications of the same scheme, to release the state from the greater part of its debts, by substituting paper for coin as a medium of exchange. The project was listened to with favour, and on the 1st of January, 1719, the whole interest of the bank of circulation was taken into the hands of the king, and the title changed to that of *Banque Royale*.

It is important to mark the first step in the series of direct frauds which now began to succeed each other so rapidly. Hitherto the notes of the bank had been convertible at will into coin of a *certain specified* weight and fineness. This phraseology was now so modified as to bind the issuing party not to pay *livres* of an expressed value, but to pay simply *livres*, leaving open an intentional facility by which the stipulation of cash-payment might be virtually annulled; for it was any day in the power of the government to degrade the mint value of the *livre* to any conceivable point of insignificance.

It is probable, however, that less in consequence of the discredit arising from this fraudulent alteration, than from the fact of the channels of circulation being already saturated with as much paper as the wants of the country required, the demand for the notes of the *Banque Royale* was exceedingly small. Then it was Law devised his notorious and gigantic plan of finance.

It was concocted between himself and the regent, that the creditors of the state should be paid off in notes of the Royal Bank, and that a tempting scheme of investment should be opened to the public, so as to absorb all the excessive portion of these monstrous emissions of paper, and prevent a demand upon the bank of specie in exchange for its own notes. In other words, as Storch has well expressed it, the regent bought the shares of this new company with the notes of his own bank; he then borrowed these notes of the company, in order to pay off the national creditors; and finally sold the shares as a means of repaying for the loan of the notes.

This precious scheme was fairly set on foot in May, 1719, by the consolidation of various trading associations, under the management of Law, and the issue of a new patent to him as chief of the *Compagnie des Indes*, (the Indian Company.) This concern immediately issued 50,000 shares of 500 *livres* each, payable in specie, but sold to the public at a premium of 10 per cent., or at 550 *livres*, and realising of course a sum of 27,500,000 *livres*. These 50,000 shares were sought after with the greatest alacrity, and presently rose to a price very greatly beyond their first cost. The company then created 50,000 more shares of 500 *livres* each, and took care to profit by the rising

market, for this time they fixed the price at 1,000 livres, or at 100 per cent. premium.

The mania was now advancing rapidly to its climax. As a pretext for the creation of more shares, the company undertook the most extravagant enterprises. They purchased from government the farm of the tobacco revenue. They then undertook the coinage of money, and finally they became the sole Farmer-General of the kingdom, upon the condition of lending to the state 1,600 millions of livres, at 3 per cent. per annum. It was then announced that the company would forthwith pay a dividend of 200 livres upon each of these 500 livres shares—in other words, they declared a dividend of 40 per cent. per annum.

The shares then mounted rapidly to 5,000 livres each, and that was the moment when the fury of the delusion attained its highest pitch. All France was possessed with the demon of *l'agiotage*. Crowds of people from the remotest provinces rushed to Paris, to devote themselves to this new pursuit, and probably the excitement, the chicanery, the charlatanism, the delusion, the extravagance, and the debauchery, of which the capital was the focus during the autumn of 1719, have never been equalled in any other place, nor at any other conjuncture.

By two further creations, making four creations in all, the number of shares was increased to 624,000; and then it was judged that the proper moment had arrived for the payment of the national debts by notes of the *Banque Royale*. The issue, nearly in a mass of so prodigious a volume of paper money, conspiring with the insanity of the public mind, drove up the price of the shares representing merely a capital of 500 livres in an untried company to the astounding price of 10,000 livres each.

Under such circumstances the position of the public creditors thus paid off was unfortunate in the highest degree. A capital of 10,000 livres at 4 per cent. was equal to an annual dividend of 400 livres. This 10,000 livres, they suddenly found themselves in a manner compelled to transfer from the form of a state debt, worth 400 livres a year, into the form of a trading adventure, intrinsically worth only 500 livres, and upon the most extravagant computation, yielding only 200 livres per annum—or just one-half of their former income.

The reaction now set in. The point had been fully gained beyond which the demand for shares could not be extended. The market had exhausted every impetus which could be given to it by the influx of new classes of purchasers, and henceforward the price of these imaginary riches began to decline rapidly, and as a natural result, excited a corresponding run upon the Bank for coin in exchange for notes.

The entire system was in imminent peril of exposure, and

Law had again recourse to his unscrupulous expedients. The government, by a series of decrees, affected to entertain the most profound contempt for metallic money, and exhorted all good Frenchmen to avoid it as a needless and costly contrivance. These exhortations not succeeding, they adopted a more stringent policy. All payments in silver above 10 livres, and in gold above 300, were prohibited; and by a volley of most arbitrary and capricious edicts, the whole system of the coinage was purposely involved in the most perplexing confusion. The *livre*, for example, was altered first to a 28th, then to a 40th, then to a 60th, then a 80th, then a 120th, then a 70th, and finally to a 65th part of a mark of fine silver. By these flagitious means the government hoped to *drive* the people into the use of their paper money. The success, however, was partial; and at last the decree of the 27th February and 11th March, 1720, prohibited the use of metallic money absolutely and in all cases.

Between the 1st January, 1719, and the 1st May, 1720, the Bank had issued notes to the extent of 2,235 millions of livres. Of this enormous sum no less than 1,925 millions were issued in the last four months of 1719. The consequences were of course inevitable; coin had totally disappeared from the country, and the prices of all other articles of subsistence, luxury, and possession increased day by day with a frightful rapidity. Law now discovered that at last there was too much of what he called credit. But as he had no means of lessening the quantity of paper by the redemption of any part of it, he again resorted to the Regent, and on the 21st May, 1720, appeared the famous *arret*, diminishing the nominal value of the paper by one-half. This was the fatal consummation. The world were then entirely undeceived as to the terrible drama which for a twelvemonth had filled all Europe with amazement, and converted almost a majority of the French nation into a fraternity of gamblers.

This portentous *arret* was recalled six days afterwards, but it was too late. The alarm had become general, and beggary and despair had already taken possession of the crowds hitherto the victims of a frantic intoxication. Government offered to redeem the notes by the creation of *rentes*, and so frightful was the depreciation, that the conversion of the paper money under this offer took place at between 50 and 100 per cent. under the nominal amount. When all was settled, it was found that by these nefarious and scandalous confiscations the capital of the national debt had been reduced by 844½ millions of livres, and its annual interest by 44 millions.

This was the extent of the *direct* loss to the creditors of the state. What was the amount and the diffusion of the indirect and positive forfeitures of property, position, happiness, and

honour, over the rest of the community, it is utterly impossible to describe.

Specie there was none. It was buried or exported. Confidence there was none. Industry, as a habit and as an art, was despised and almost forgotten. The national treasury was drained of its final farthing; and as far, probably, as a civilized state can ever descend in one year towards a condition of helpless infancy, France had undergone such a declension.

This then is an outline of this gigantic delusion of paper money. We have been the more elaborate in our detail of progress, because its real history is so little known, the authentic sources of that history are not very accessible, and because, at this moment, it is every way desirable that mankind should not forget lessons that have been bought so dearly.

Savings' Banks.

COMPARATIVE ANALYSIS OF THE ANNUAL PARLIAMENTARY RETURNS OF SAVINGS' BANKS AND FRIENDLY SOCIETIES.—SESSIONS 1847 & 1848.

STATEMENTS of the account between the National Debt Commissioners, on the part of the public, and the Trustees of Savings' Banks and Friendly Societies, on the part of the depositors and members, for the years ended respectively the 20th November, 1846 and 1847.

Gross amounts of all sums received from and paid to the Trustees by the Commissioners, including interest credited and paid to the former by the latter, from 6th August, 1817, to 20th November, 1846, and 20th November, 1847:—

SUMS RECEIVED AND CREDITED.

SAVINGS' BANKS.	Gt. Britain.		Ireland.		Gt. Brit. & Ireland.
	£	s. d.	£	s. d.	
To 20th Nov., 1847.....	43,482,211	6 11	9,639,589	0 4	53,121,800 7
1846.....	42,143,065	4 9	9,344,247	8 11	51,487,312 13
Amounts recd. and cred. from 20 Nov. 1846, to 20 Nov. 1847	1,339,146	2 2	296,341	11 5	1,634,487 13
FRIENDLY SOCIETIES.					
To 20th Nov., 1847.....	3,021,104	15 0	79,983	13 5	3,101,088 8
1846.....	2,848,087	18 11	75,601	13 4	2,923,689 12
Amounts recd. and cred. from 20 Nov. 1846, to 20 Nov. 1847	173,016	16 1	4,382	0 1	177,398 16

SUMS PAID.

SAVINGS' BANKS.	Gt. Britain.		Ireland.		Gt. Brit. & Ireland.
	£	s. d.	£	s. d.	
To 20th Nov., 1847.....	15,697,788	3 5	7,187,379	14 10	22,885,167 18
1846.....	13,184,938	2 9	6,451,136	3 0	19,636,074 5
Amounts paid from 20 Nov., 1846, to 20 Nov., 1847 ..	2,612,850	0 8	736,243	11 10	3,249,093 12

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FRIENDLY SOCIETIES.	Gt. Britain.			Ireland.			Gt. Brit. & Ireland.		
	£	s.	d.	£	s.	d.	£	s.	d.
To 20th Nov., 1847.....	1,136,906	9	11	2,627	19	3	1,139,534	9	2
" 1846.....	969,719	17	3	2,577	11	4	972,297	8	7
Amounts paid from 20 Nov., 1846, to 20 Nov., 1847 ..	167,186	12	8	50	7	11	167,237	0	7
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TOTAL received and credited—Savings' Banks ..	£1,634,487	13	7						
Friendly Societies	177,398	16	2						
<hr/>									
Sums paid	Savings' Banks ..	£3,249,093	12	6					
	Friendly Societies	167,237	0	7					
<hr/>									
							1,811,866	9	9
							3,416,330	13	1
							£5,328,217	2	10

Thus showing that the aggregate amount of the money transactions between the Commissioners and Trustees, consisting of sums received and credited, and of sums repaid, during the year ended the 20th November, 1847, was £5,328,217 2s. 10d.

Excess in the amounts of SUMS PAID over the amounts of sums received and credited from 20th November, 1846, to 20th November, 1847:—

SAVINGS' BANKS.	Gt. Britain.			Ireland.			Gt. Brit. & Ireland.		
	£	s.	d.	£	s.	d.	£	s.	d.
Amounts paid from 20 Nov., 1846, to 20 Nov., 1847	2,512,850	0	8	736,243	11	10	3,249,093	12	6
Amounts received and credited from ditto to ditto	1,339,146	2	2	295,341	11	5	1,634,487	13	7
Excess paid	£1,173,703	18	6	440,902	0	5	1,614,605	18	11

Excess in the amounts of sums RECEIVED and credited over the amounts of sums paid, from 20th November, 1846, to 20th November, 1847:—

FRIENDLY SOCIETIES.	Gt. Britain.			Ireland.			Gt. Brit. & Ireland.		
	£	s.	d.	£	s.	d.	£	s.	d.
Amounts received and credited from 20 Nov., 1846, to 20 Nov., 1847.....	173,016	16	1	4,382	0	1	177,398	16	2
Amounts paid from ditto to ditto	167,186	12	8	50	7	11	167,237	0	7
Excess received and credited	£5,830	3	5	4,331	12	2	10,161	15	7

Thus showing, that in the year ended the 20th November, 1847, the amount of the sums paid by the Commissioners to the Trustees of the Savings' Banks exceeded the amount of the sums received from and credited to the latter by the former, by the sum of £1,614,605 18s. 11d.; and that the amount of the sums received from and credited to the Trustees of the Friendly Societies by the Commissioners, exceeded the amount of the sums paid by the latter to the former by the sum of £10,161 15s. 7d. leaving the excess of sums paid £8,604,444 3s. 4d.

Amounts of the **LIABILITIES OF THE COMMISSIONERS** the Trustees, on 20th November, 1847.

Gross amounts of all sums received from and paid to the Trustees by the Commissioners, including interest credited and paid to the former by the latter, from 6th August, 1817, to 20th November, 1847:—

SAVINGS' BANKS.	Gt. Britain.			Ireland.			Gt. Brit. & Ireland.
	£.	s.	d.	£.	s.	d.	
Sums received and credited	43,482,211	6	11	9,639,589	0	4	53,121,800
Sums paid	15,697,788	3	5	7,187,379	14	10	22,885,167
Balances due to the Trustees on 20 Nov., 1847	£27,784,423	3	6	2,452,209	5	6	30,236,632

FRIENDLY SOCIETIES.	Gt. Britain.			Ireland.			Gt. Brit. & Ireland.
	£.	s.	d.	£.	s.	d.	
Sums received and credited	3,021,104	15	0	79,983	13	5	3,101,088
Sums paid	1,136,906	9	11	2,627	19	3	1,139,534
Balances due to the Trustees on 20th Nov., 1847	1,884,198	5	1	77,355	14	2	1,961,553

Thus showing that the nation was liable, on 20th November 1847, to the Trustees of the Savings' Banks, for the sum of £30,236,632 9s.; and to the Trustees of the Friendly Societies for the sum of £1,961,553 19s. 3d., claims which are payable in money by the Commissioners to the Trustees at the following periods, in conformity to sections 19, 20, and 21, of 9 Geo. IV., c. 92, (28th July, 1828), viz.:—drafts under £10,000 to be paid five days after production, and exceeding £10,000, to be paid fourteen days after production, and no draft to be issued without payment bearing the same date upon any one day, on account of the same Savings' Bank, or Friendly Society, exceeding the amount the principal sum of £10,000.

AMOUNTS OF THE ASSETS in the hands of the Commissioners to meet the claims of the Trustees, on 20th November, 1846, and 20th November, 1847, and increase or decrease in the year ended on the latter day:—

SAVINGS' BANKS.		Gt. Britain.			
		£.	s.	d.	
On 20th Nov., 1846		14,153,633	17	11	3 per Cents.
„ 1847		12,213,633	17	11	do.
Decrease		1,940,000	0	0	do.
On 20th Nov., 1847		16,734,121	7	10	3½ per Cents.
„ 1846		16,367,121	7	10	do.
Increase		367,000	0	0	do.
On 20th Nov., 1846		30,700	0	0	Exchequer Bills.
„ 1847		28,000	0	0	do.
Decrease		2,700	0	0	do.

SAVINGS' BANKS.		Ireland.			
		£.	s.	d.	
On 20th Nov., 1846		1,031,588	13	7	3½ per Cents.
„ 1847		1,031,588	13	7	do.

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FRIENDLY SOCIETIES.		Gt. Brit. and Ireland.		
On 20th Nov., 1846	£22,500	0 0	3 per Cents.
„ 1847	.....	510,200	0 0	do.
Decrease	.....	12,300	0 0	do.
On 20th Nov., 1846	.....	1,346,000	0 0	3½ per Cents.
„ 1847	.....	1,346,000	0 0	do.

CASH BALANCE UNINVESTED.

On 20th Nov., 1846	.....	301,182	13 0
„ 1847	.....	20,994	19 11
Decrease	.....	188,037	2 11

Thus showing that at one period of the year ended on 20th November, 1847, the payments made to the Commissioners by the Trustees of the Savings' Banks, on account of the depositors, rendered necessary the purchase by the former of Government Stock, amounting to £367,000, 3½ per cents.; and that at another period of the same year the demands for cash made upon the Commissioners by the Trustees of the Savings' Banks and Friendly Societies, on account of the depositors and members, rendered necessary not only the sale by the former of Government Stock and Exchequer Bills, amounting to £1,940,000, of 3 per cents., and £2,700 Exchequer Bills, for the Trustees of the Savings' Banks, and to £12,300, 3 per cents. for the Trustees of the Friendly Societies, but also the repayment of a portion of the uninvested Cash Balance, amounting to £280,187 13s. 1d.

VALUE OF THE ASSETS in the hands of the Commissioners to meet the claims of the Trustees, on 20th November, 1847; the 3 per Cents. estimated at the average price of Reduced and Consolidated 3 per Cents., and the 3½ per Cents. estimated at the actual price, as quoted in the *Bankers' Magazine* for December, 1847, and the Exchequer Bills estimated at par; showing the deficiency in the value of those assets:—

SAVINGS' BANKS.		Amounts.	Estimated value.	Estimated value.
Great Britain	.....	£12,213,633 3 per Cents., at 83½	£10,183,116	
Do.	.....	16,734,121 3½ per Cents., at 84½	14,077,579	
Do.	.....	28,000 Exchequer Bills, at par.	28,000	
Ireland	.....	1,031,688 3½ per Cents., at 84½		£24,288,695
				867,823
FRIENDLY SOCIETIES.				
Great Britain and Ireland	.....	510,200 3 per Cents., at 83½	425,379	
Do.	.....	1,346,800 3½ per Cents., at 84½	1,132,995	1,558,374
		£31,864,342		26,714,892
Uninvested Cash Balance				20,994
Total estimated value				26,735,886

SUMMARY VALUE OF THE ASSETS.

SAVINGS' BANKS.	Stock, Exchequer Bills, and Cash, forming the Assets.	Claims of the Trustees.	Estimated value of the Assets.	Deficiency in the value of the Assets.
Great Britain	28,975,754	27,784,423	24,288,695	3,495,728
Do. Ireland	1,031,588	2,462,209	867,823	1,584,386
	30,007,342	30,236,632	25,156,518	5,080,114
FRIENDLY SOCIETIES.				
Great Britain and Ireland ..	1,857,000	1,961,553	1,558,374	403,179
	31,864,342			5,483,293
Cash Balance uninvested on 20th November, 1847.....	20,994		20,994	less 20,994
Totals..	31,885,336	32,198,185	26,735,886	5,462,299

Thus showing that the estimated value of the assets in the hands of the Commissioners, on 20th Nov., 1847, to meet the claims of the Trustees, amounting to £32,198,185, was £26,735,886; being a deficiency of five millions, four hundred and sixty-two thousand, two hundred and ninety-nine pounds.

THE MONETARY CRISIS AND THE SAVINGS' BANKS.

THE following particulars relating to the actual loss incurred by the Government on the sales of Savings' Bank Stock during the recent monetary crisis will probably be read with interest at the present time.

On several occasions, for some years past, the attention of the Government and Parliament has been called to the danger arising from the power vested by law in the trustees of the Savings' Banks to call on the National Debt Commissioners for the repayment in cash, at only a few days' notice, of the whole of the funds of the depositors; and it has been shown that the exercise of this power might, in times of political excitement or monetary panic, produce a heavy loss to the Government, and greatly inconvenience, if not seriously endanger, the public credit. Because if, through panic or any other cause, the Government Stocks should fall materially in price, the securities in the names of the National Debt Commissioners would fall very far short of producing a capital sufficient to repay the trustees of the Savings' Banks the amount due to the depositors; and the inducement to the depositors to demand the repayment of their money would be great in proportion to the fall in the prices of the Government Stocks, and to the amount of their balances respectively in the Savings' Banks.

The state of monetary affairs during the past year, and its effect upon the Savings' Bank depositors in inducing them to call, between March and December last, for the repayment of so much of their deposits as required a sale by the National Debt

Commissioners of upwards of two millions of three per cent. stock, have shown that the apprehensions as to the danger and loss to which we have alluded have been well founded; and in proof of it we inserted in our February number a complete and carefully prepared statement, showing, not only the amount of the sales of stock by the National Debt Commissioners, on account of the trustees of the Savings' Banks, in each month, from March to December, 1847, and the sums of money received from such sales, but also the different periods in the previous years at which such stock was purchased, and the sums of money paid for such purchases.*

It must strike every one, who bestows a moment's reflection upon the subject, to be a matter exceedingly desirable that some precise information should be rendered as to the classes of persons who have been benefited by such a sacrifice on the part of the public, and the extent of the advantage, if any, derived by the public in return. On this point we regret that we have no general materials upon which a decided and satisfactory opinion can be formed. An abstract of the classification of the depositors in one of the Edinburgh Savings' Banks, in October last, with the number and aggregate amount of their balances, which we subjoin, may partly serve the purpose we are anxious to accomplish; but the particulars afforded with reference even to this Savings' Bank, known and acknowledged to be one of the most useful and best regulated of such institutions, can hardly, we fear, be considered as offering a just criterion, because it has been publicly admitted in our own columns, by the principal functionary employed in it, that there was still a "departure here from the spirit of the Savings' Banks' Act, but that by far the greatest departure was in the case of minors."

Without entering into a minute inquiry as to the relative proportion, in number, of each of the classes specified in the following table, and as to the amount of their balances, and how far the spirit of the Savings' Bank Acts is departed from in their cases, sufficient evidence is afforded, that persons without designations, minors, and individuals generally in a superior rank of life to those who may strictly be called the "industrious classes," or "poor and helpless depositors," form an important feature in the following abstract; and if the character of the depositors in all the other Savings' Banks throughout the United Kingdom be judged of according to the classification of those in the Edinburgh Institu-

* The aggregate actual loss resulting from these transactions will be found to have been £237,856 3s. 9d. The particulars are detailed in the House of Commons' Parliamentary Papers, No. 453, session, 1844,—No. 681, session, 1846,—No. 610, session, 1847,—and No. 45, sessions 1847, 1848.

tion, it may reasonably be doubted whether the advantage resulting to society generally from maintaining Savings' Banks according to the existing system, is commensurate with the extensive liability incurred by the public in their regard, and with the consequent sacrifice which such liability has already entailed, and must inevitably again entail, in the event of the recurrence of a period of monetary depression, similar to that out of which this country has but recently emerged.

The following is the abstract referred to :—

Abstract of the return of the classification of the Depositors, by their designations, in the "Head of the Mound" Savings' Bank, in Edinburgh, as at 2nd October, 1847.

	Number of Balances.	Amount of Balances.
FEMALES.		
1st—Domestic Servants.....	5,319	£ 73,393 5
2nd—Single Women, Married Women, and Widows without designation	5,011	81,174 1
3rd—Minors	758	4,876 10
4th—Dressmakers, Milliners, Sempstresses, and female Operatives	739	9,479 9
5th—Shopkeepers and Householders	291	5,216 7
6th—Governesses and Teachers	140	2,905 14
7th—Miscellaneous designations	17	269 5
Totals	12,275	177,314 13
MALES.		
1st—Mechanics, Operatives, Porters, and Town and Country Labourers.....	4,088	61,969 16
2nd—Teachers, Clerks, and Shopmen	663	10,961 1
3rd—Domestic Servants	625	11,093 10
4th—Shopkeepers	348	5,139 10
5th—Soldiers, Sailors, and Public Officers	308	4,835 18
6th—Minors	879	5,817 5
7th—Miscellaneous designations	275	4,231 1
8th—Persons without designation	450	6,653 17
Males	7,636	110,702 7
Females	12,275	177,314 13
Balances under 2s. each.....	3,762	188 2
Friendly and Charitable Societies.....	241	19,827 6
Totals	23,914	308,032 9

**BLACKER'S ESSAY "ON THE EVILS OF A MIXED CURRENCY,
AND THE ADVANTAGES OF AN INCONVERTIBLE NA-
TIONAL PAPER CURRENCY."***

"Men, in their bargains, contract, not for denominations or sounds, but for the intrinsic value."—*LOCKE on Money.*

IN an early number of the *Bankers' Magazine* the first edition of Mr. Blacker's work was briefly reviewed. It has now reached to a third edition, a fact significant at once of ability on the part of the author, and of the increasing interest which the public is bestowing on the subject of the currency, notwithstanding its inherently unpopular nature. On these considerations—and as Mr. Blacker's opinions, or modifications of them, are shared in by no small portion of the community—we think a further notice of his work may not be ill-timed.

Although it appears in the modest shape of a pamphlet, the reader must not infer that it is of the ephemeral character that usually attaches to that form of publication: it being, in fact, an elaborate work on the theory and practice of the currency, on which much pains and consideration have evidently been bestowed. We cannot, of course, follow Mr. Blacker over the wide field he traverses, but shall endeavour to condense into brief compass a view of his leading ideas, and of the practical results to which they bring him—premissing generally, what most of the readers of the *Bankers' Magazine* are probably already aware of, that Mr. Blacker is a warm advocate of an inconvertible currency.

I.—The great fundamental principle on which Mr. Blacker bases his objections to a convertible currency is, that "no circulating medium can be a perfect medium of exchange and measure of value in case it possesses any intrinsic value of its own, for this plain reason—that whatever possesses intrinsic value, being an article of merchandise, will, as such, be exported whenever a profit can be made by so doing," thereby enforcing a contraction of the currency and denial of discount, with all the attendant evils.

II.—Although Mr. Blacker denies, as above, the possibility of a perfect measure of value possessing intrinsic value, he holds that a perfect measure of value is not an impossibility in the nature of things, and that it may be obtained by adopting an inconvertible currency which shall have "no value beyond what it derives from legal enactment."

III.—Throughout his work, Mr. Blacker invariably uses the words "appreciation" and "depreciation" (on which much of his reasoning is built), not as relative, but as absolute, terms.

IV.—He assumes national prosperity or adversity to be almost entirely a matter of currency management.

V.—The plan by which Mr. Blacker expects to preserve the value of his inconvertible currency is based on the "principle of limitation." He holds, that it is "utterly impossible" to over-issue any currency, whether convertible or inconvertible, provided the issue is limited to the discount of commercial bills of a given time to run, and at a given rate of interest; because for every note issued on the discount of a bill, a note will be paid in and cancelled at the maturity of that bill. Accordingly,—

VI.—He proposes a national inconvertible paper currency—its issue to be managed by a government board of commission, and to be based solely upon "the discount of commercial bills sent in by the commercial banks, without

* London: P. Richardson. Third Edition.

dealing with individuals, of such a term and at such a rate as may be found by experience to keep the exchanges at par under ordinary circumstances: which being the case, it is evident the national paper will then be equal in value to the present gold standard, that standard being calculated according to the principle of exchange." &c.

We believe we have now given a correct, although necessarily faint outline of Mr. Blacker's principles and plan of currency; but as the reader, if he has not himself perused Mr. Blacker's book, may not at first sight catch the relative bearing of the ideas and plan as sketched under the above heads, we shall, perhaps, be able to make them intelligible to him by commenting upon them in sequence, and more in detail.

It is necessary, however, first to inform the reader, that if he supposes Mr. Blacker to be a disciple of the Birmingham school, we must so far correct him as to state our impression that were the question put to Mr. Blacker himself, he would answer in the negative, and for the following reasons:—The Birmingham school advocate not merely an inconvertible currency, but the depreciation of the standard; that is to say, they would have the national paper issued to such an extent as would raise the market price of bullion—measured in paper—from £3 17s. 10½d. the ounce, say to £5 or £7; and they would despise so small a measure of relief as the mere adoption of an inconvertible currency, unaccompanied with a large depreciation of the present standard. Not so Mr. Blacker—he disclaims all wish to lower the value of the existing standard, which, he says, "would be only to perpetrate a fresh injustice." He is, therefore, apparently at issue with the Birmingham school on a most important point. We shall by-and-by, however, have to consider some qualifications to Mr. Blacker's respect for the standard, so material, as will probably raise a question whether his difference with the Birmingham school be more nominal than real. In the meantime, we must accept his disclaimer of having any quarrel with the existing standard. We now proceed to comment on Mr. Blacker's opinions in the numerical order in which we have classified them.

I.—Every one, we apprehend, bullionist as well as the "Gemini," will concede to Mr. Blacker that the precious metals, or any other other commodity which has ever been used as a medium of exchange, are not a perfect standard of value; and that certain serious inconveniences are incident to their use. But another question is immediately forced upon us;—is it possible in the nature of things to obtain a perfect standard of value?

II.—This question Mr. Blacker boldly answers in the affirmative, viz.—"an inconvertible currency 'deriving its value from legal enactment;'" and if he could obtain the same unanimity of assent to this as to his first proposition, there can be no doubt an inconvertible currency would be immediately the law of the land. But unfortunately for Mr. Blacker, the universal experience and common sense of mankind contradict his assertion of the possibility of a perfect standard of value. All that men have hitherto aspired to has been to obtain the standard that was relatively most perfect, and the precious metals have been found by universal experience to possess the greatest relative perfection. Mr. Blacker, indeed, accuses "Lloyd, Norman, & Co.," as calling them, of claiming a character of perfection to a metallic standard, and ridicules them for such an absurdity. Will he point out where they have done so? These gentlemen may have enough currency sins to answer for, but they could ever have spoken of a perfect standard of value, we take leave to doubt. It was reserved for Mr. Blacker to so far outrun the experience and the opinions of his fellow men. Let us now endeavour to ascertain what the perfect standard is, and in what its perfection consists. The only definition he gives of what his standard is, has been already stated, viz. one "deriving its value from legal enactments," as thus,—the State enacts that

the national inconvertible note for a pound is legal tender for a pound, and, therefore, of the value of a pound. As we are unable to attach any distinct idea to this definition of Mr. Blacker's standard, we cannot of course offer any opinion upon it, much less upon its claim to perfection. To us it seems a mere standard of "denominations or sounds," and as Locke tells us, men do not contract for these, "but for the intrinsic value;" nor is Mr. Blacker himself an exception to the rule. It will doubtless have been observed by the reader, that although Mr. Blacker objects so stoutly to a standard of intrinsic value, and insists (*in words*) on the necessity of a standard not possessed of intrinsic value, as being the only perfect one, he yet *in fact* adopts our present metallic standard as the test of the value of his inconvertible currency. He does so in express terms when he proposes regulating his issues "so as to keep the exchanges at par under ordinary circumstances, which being the case, it is evident the national paper will then be equal in value to the present gold standard, that standard being calculated according to the par of exchange." In his practice, therefore, he proposes to be less extravagant than in his theory, and would yield to the necessity of a standard of intrinsic value just as all men have been obliged to yield before him. But where meanwhile is his "only perfect standard?" Vanished into space, a pure nonentity, which neither himself nor any other man can realise, nor give an intelligible idea of. The only faint indication of the notion of his imaginary standard being present even in Mr. Blacker's own mind, when he comes to speak of a practical case, seems to be this, that when his inconvertible notes exchange for a greater or less amount of gold at one time than another, he will hold himself entitled to assume in certain cases that it is the metal, not his notes, which have changed their value. Thus, in the case of a sudden import of corn occasioning an export of gold, and the market price of the latter rising higher than £3 17s. 10½d. the ounce, in such a case he says, "gold will be appreciated, but my notes will not be depreciated."

III. Now, when you find a man building an argument on the use of certain terms, in a sense entirely different from what they bear in the mouths and in the writings of all other men, it is a fair presumption that his whole superstructure is a fallacy. If gold is "appreciated," it follows by every rule of grammar and of logic that it must be in reference to something else which is "depreciated," and that something else in the present inquiry is Mr. Blacker's inconvertible notes. It is apparent, therefore, that Mr. Blacker's real standard resolves itself after all into our old friend, gold at £3 17s. 10½d.. It is true the position he assumes towards it is a very odd one, and quite after his own fashion. For instance, if his inconvertible notes happen to be at par with gold, at the rates just quoted, then he admits gold to be the standard of value; but as soon as their relative value undergoes a change, either by the price of gold rising above or sinking below £3 17s. 10½d., he makes them change places, and now regards the notes as his standard. Gold, he says, has become appreciated or depreciated—my notes have retained their fixed value. Ask him what that value is, he replies, a pound: ask him the value of a pound, and he replies a national note for that sum; and in this puzzling circle we are spun round and round.

On the whole, then, we are utterly unable to understand the grounds on which Mr. Blacker claims the attribute of perfection for a standard, possessing "no value beyond what it derives from legal enactment." To us, it appears no standard at all, perfect or imperfect, and that Mr. Blacker is forced to rely as implicitly on the metallic standard for determining the value of his inconvertible currency, as if it were strictly convertible.

IV. Mr. Blacker does not, of course, say in so many words, that prosperity or adversity are entirely a matter of currency administration, but he does say so *virtually*. For instance, a bad harvest, which old-fashioned people are

apt to regard as a great national calamity, requiring strict economy, and cutting down of expenditure in all directions, Mr. Blacker views in the most consolatory light. You have but to adopt an inconvertible currency, he tells you, and you may thenceforward look upon a bad harvest merely as a bonus to the export of your manufactures: if you have to import corn largely, it will set starving operatives at work, and mills which would otherwise be standing still. There would be no necessity for contracting issues, or giving a single denial of discount, nor for economy and cutting down of expenditure. All men might eat, drink, and be merry; as an inconvertible currency makes scarcity a blessing, instead of a curse; and the greater the scarcity, the greater the blessing, for the more food you have to import, of course the more goods you have to pay for it, and the more good you do to the manufacturers. It does not appear to occur to Mr. Blacker, that the consumers of the corn have ultimately to pay the piper. He looks at a part, and treats it as the whole, on the same principle as people do who regard the accidental burning down of a country gentleman's mansion as a "good to trade." Lest the reader should think the above is an exaggeration or distortion of Mr. Blacker's views, we quote the following passage, referring to the effects of a bad harvest:—"Under a mixed currency, it would force the Bank to a denial of discount, and produce all the evils already detailed (paralysis of trade, &c.) but under an inconvertible currency, it need cause *no denial of discount at all, nor produce any derangement of commerce whatever; the only effect being, that it would be a bonus to the export of goods,*" &c. &c. Thus, according to Mr. Blacker, a dreadful natural calamity, calculated of necessity to inflict deep injury and suffering upon the community, can be transformed into a matter of such trivial moment as not to produce "any derangement of commerce whatever; the only effect being that it would be a bonus to the export of goods"—and this wonderful result to be achieved, simply by the operation of an internal currency regulation!

V. & VI.—The power of "the principle of limitation" to regulate the value of an inconvertible currency is universally admitted by all the most eminent authorities who have written on the subject within the last thirty or forty years. The only difficulty has been, how to secure the certainty of the application of the principle; every government that has ever adopted an inconvertible currency, having neglected it, and allowed the currency to become depreciated. To obviate this risk many plans have been proposed. For instance, the "Catechism of the Currency" suggests the following rule for regulating the inconvertible issues.—Supposing the market price of gold falls below £3 17s. 10½d. the ounce, then increased issues to be made to the number indicated by multiplying the amount previously in circulation by the vulgar fraction expressed by the fall below the standard price, divided by the actual price; and if the market price of gold rises *above* £3 17s. 10½d., then the issues to be diminished by a calculation on the same principle. So far good; but to this plan objection has been taken—as, indeed, to almost all others on the subject—that it is incomplete without some penalty attached to the infringement or neglect of the given rule by the commissioners; and to supply this penalty it has been suggested to *hang* the chairman, deputy chairman, and a few of the commissioners, in the event of the market price of gold rising or falling 5 per cent. from the standard, as a warning to their brethren. We merely mention these discussions in passing, to show how unsuccessful Mr. Blacker's predecessors have been in their attempts to suggest practicable means for securing the certainty of the application of the "principle of limitation." Let us now examine his plan for securing this great object.

He holds, as before stated, that it is "utterly impossible," to over-issue a currency based on the discount of commercial bills of a given term and rate of interest, as the maturity of every bill will cancel an amount of notes equal to

what it at first drew into circulation. But, we would ask, suppose the maturity of the bill is postponed indefinitely, by being renewed from time to time, either directly, or (which is more likely) indirectly by fresh discounts *ad libitum*—for which Mr. Blacker's liberal principle of "no denial of discount of trade bills" would give every facility—to bankers and their customers, would not this defeat his principle of limitation and lead to depreciation? To this Mr. Blacker has a ready answer, viz., that merchants are entirely uninfluenced in their transactions by considerations of the state of the circulation, in other words, by the comparative facility of discount. "No man," he says, "will be at the expense of drawing out more notes from his banker than he has actual occasion for, and have them useless in his drawer, any more than he would think of bringing more meat from the market than what his consumption required, when in either case he could be supplied according as he had occasion." This reasoning is ingenious and plausible, and we admit with some surprise that Tooke and other eminent writers have taken a similar line of argument; but with all deference to great names, let us look at it a little more closely. As a mere question of *notes*, of course no man will hold more than he has occasion for, but it would be an essential error to treat it as a mere question of notes, when it is in reality one of *credit* generally. Indeed, Mr. Blacker himself suggests this in the above illustration when, after saying that no man will hold more notes than he wants at the moment, he adds the important qualification, "if he can be supplied according as he has occasion," that is, by a free command of credit, to which notes are the mere subsidiary incident. In confirmation of this view we may remind the reader of the extraordinary events of the year 1845, which amply proved that there may be an enormous increase of transactions, and an unprecedented inflation of credit without any appreciable increase of the note circulation, the fact being, that in times of high prosperity and confidence, those (so to speak) invisible branches of the credit system, bills of exchange, checks, and other forms of transfer, are substituted for the note circulation to so prodigious an extent that it is impossible not to regard them as, to all practical intents and purposes, currency. Mr. Blacker has taken the same view of the constituent parts of the currency in his second "Definition," page 4. Substituting, therefore, the word credit, for notes, in the illustration above quoted, the bearing which it appears to us to have on Mr. Blacker's argument is this, that while it is self-evident that no merchant will hold more *notes* than he has occasion for, it is equally self-evident that the extent to which merchants may have occasion for *credit*, will, in nine cases out of ten, be determined by the extent to which they can get it, in other words, that merchants are influenced very materially, if not mainly, in their transactions, by the amount of credit at their command. Suppose the contrary of this were granted to Mr. Blacker, what would it imply? That the vast numbers of comparatively poor men, who form the bulk of those engaged in commerce and manufactures in every country, competing with and hustling each other, toiling and struggling for existence, are so independent of external aid, as to be able to conduct all their operations without reference to it. Every banker and man of business knows that such is not the case, and that the vast majority of men engaged in trade are immediately dependent in a very great degree on the state of the money market for their power to enter into transactions, or to fulfil those into which they may have already entered, and that this is true even of very wealthy merchants, for the simple reason that they will be frequently holders of merchandize to ten times the amount of their own capital. We repeat, therefore, we consider it self-evident that merchants are influenced in their transactions by their command of credit. Now nothing is more uncertain and varying than the amount of this command of credit to the great body of men engaged in trade, it being dependent on the state of the money market. The same man who in 1845 perhaps had a credit power of £20,000, may have, two years later, been

refused it for £1,000, solely from the altered state of general credit. What then will be the effect of these facts or principles on Mr. Blacker's principle of limitation, supposing an inconvertible currency to be adopted? Free discounts, it will be remembered, are to be the order of the day; no denial of regular trade bills sent in by the commercial banks of the commissioners, it being "utterly impossible" to over-issue on trade bills at a certain term and rate of discount. The banks are thus to have the strongest inducements of profit to be "liberal," and their customers, to "go a-head." Now we all know that, even on the present system, with all its contingent terrors of collapsed credit and panic, bankers will, in times of prosperity and confidence, freely discount paper which at other times they would not look at on any consideration. Their customers are therefore forced to adjust their prospective engagements strictly with an eye to the varying phases of the discount market. Accordingly, when they find that to be easy—all the trade bills they can draw readily negotiated—they naturally enter eagerly into transactions and come under liabilities, which, under different circumstances, they never would have ventured upon. These influences acting simultaneously more or less on all commercial men, an extraordinary increase of business is the inevitable result, especially if other circumstances, extraneous to the currency, be coincidentally assisting to produce keen speculation in stocks, shares, or produce. At such a time the same mass of goods will perhaps change hands a dozen times, and create a dozen bills, each succeeding bill higher and higher to cover each successive seller's profit, until at length this inflated state of credit raises prices to that point at which the exchanges are brought against us, discounts are limited, issues contracted, and the bubble bursts. All this process, we are well aware, is very stale in the recital, because every one has seen it in full operation at each recurring cycle of commercial prosperity; but its very staleness and familiarity are convincing proof that if extraordinary inflation of credit and speculation can occur in spite of the risk of sudden and disastrous check from the operation of our present restrictive system, how immensely accelerated will be every tendency to speculative excess, when our currency shall be put on a footing the main principle of which proclaims to the world that it is "utterly impossible" to over-issue a currency based on the discount of regular trade bills of a given term and rate of interest. To us it appears impossible to doubt that depreciation would be the certain result.

But perhaps Mr. Blacker would here refer us to that feature of his plan which leaves to the commissioners the power to deny discounts, or to alter the terms, &c. of bills, in the event (the "utterly impossible" event), of an over-issue having taken place; the fact of such over-issue to be tested by the market price of gold, and the state of the exchanges. This is specific and intelligible, if consistently adhered to; but with Mr. Blacker, his test is a test and no test; for when it would seem to indicate the presence of over-issue and depreciation, he leaves it in the power of the commissioners to disregard it altogether, if they are of opinion that gold is appreciated, but that the currency is not depreciated. One might almost suspect, from the position Mr. Blacker takes on this point, that he wished to keep on good terms with both the bullionists and the Birmingham men. To the former he says, "I don't wish to depreciate the present standard; the value of my inconvertible currency shall be tested by the price of gold, and the state of the exchanges;" and on being twitted with this by the Birmingham man, he seems to reply, "my good Mr. Muntz, don't you see that I am only bamboozling a Peelite, by giving in a nominal adhesion to his standard of value, but which my commissioners may repudiate whenever they please, on the ground that it is 'utterly impossible' to over-issue a currency based on trade-bills of a given term and rate of interest, and, therefore, that if the nominal test indicates depreciation, it must proceed from the appreciation of gold, not from the depreciation of notes. So you see there need

never be denial of discount or contraction of issues. Your system and mine come to exactly the same thing in the end; the only difference is, mine makes, or rather seems to make, some little allowance for the ignorant prejudices of the bullionists. You English have no *savoir faire*, you are so boorish and straightforward. Depend upon it, Mr. Muntz, there is no good to be got by always flourishing your enormous cudgel in people's faces. I am, my dear sir, as thoroughly Birmingham as yourself, but I would obtain our common end by the judicious use of the true Milesian *suaviter in modo*!"

But we will suppose, that notwithstanding Mr. Blacker's great principle of the utter impossibility of over-issuing a currency based on the discount of trade bills of a given term and rate of interest, his commissioners, after a long continued adverse exchange and premium on gold, should be seized with a perverse suspicion of the existence of depreciation, and of the consequent necessity for some contraction of credit, would they *dare* to carry their convictions into practice by a denial of discount? If they did, we venture to say they would be overwhelmed with popular abuse and execration for the "ruin to the commercial and manufacturing interests," which, Mr. Blacker himself says, "must be the inevitable result of denial of discount." They would be told that "the most detailed knowledge of the actual trade of the country, combined with the most profound science in all the principles of money, would not enable any man, or any set of men, to adjust, and keep always adjusted, the right proportion of circulating medium in a country to the wants of trade;" that the commissioners had consequently been guilty of the most insolent presumption in attempting to dictate to the country by denial of discount, "the right proportion of circulating medium," &c.; especially as the grand principle on which the inconvertible currency had been adopted was the utter impossibility to over-issue on trade bills of a given term and rate of interest. Thus on every such occasion a storm of popular discontent would be showered on the commissioners and the government. Every demagogue would have, in the denial of discount, a ready handle for rousing the passions of the people, by fathering all the evils with which the body politic might be afflicted on the management of the currency by the commissioners. There is yet another objection of detail, which appears to us an insuperable bar to the practical operation of such a scheme as Mr. Blacker's. What single body, we ask, public or private, even supposing its members to be, one and all, men of the highest practical and scientific skill, could pretend to keep a critical and business-like supervision over the discount business of all the banks in the kingdom, amounting of course to many hundreds of millions pounds sterling in the course of the year? And has Mr. Blacker considered what per centage of loss by bad debts, on this gigantic discount business of the commissioners, would the Chancellor of the Exchequer have to announce yearly to parliament? Our space forbids our pursuing the subject further—nor do we consider it necessary.

We owe it to Mr. Blacker to mention that, notwithstanding the length to which our observations upon his work have extended, it contains many curious and interesting disquisitions on various branches of the currency question, which we have not been able to notice. These appear to us to display great acuteness, and an intimate acquaintance with the principles of commerce and of currency, mixed, however, with very much, in reasoning and illustration, which we consider transparently, and in some instances ludicrously, false. But the reader should see Mr. Blacker's book, and judge for himself.

Since the above paper was written, we have perused Mr. Blacker's "Letter printed for private circulation," containing a kind of abridgment of his book; but as we do not find in it any new matter or principle, it does not appear to us to suggest any modification of our previous remarks.

We may, however, notice one point, on which he insists with great earnestness, as a matter of immense importance. When the foreign exchange is adverse, he tells us, the premium on bills acts as a bonus upon exports and as a tax upon imports; but under a convertible currency this premium cannot rise higher than what the cost of transmitting specie would be. Now comes Mr. Blacker's great point:—An inconvertible currency, by allowing gold to run to a premium, would put no stop to the rise of premium on bills, and so would admit of an increasing bonus upon exports and tax upon imports, exactly in proportion to the premium on gold; that is, to the difference between the market and the mint price. On this we have merely to remark, that from the point at which the premium on bills began to exceed the cost of transmitting the metals, the apparent bonus on exports and tax on imports, afforded by the adverse exchange, would be wholly illusory and fictitious, consisting merely in the depreciation of the notes. Thus, suppose that, under an inconvertible currency, the nominal exchange with France were 10 per cent. against us, if gold bore a premium in our market of 8 per cent. over notes, then the *real* exchange would be only 2 per cent. against us; and 2 per cent.—not 10, as assumed by Mr. Blacker—would be the limit to which it acted as a bonus on exports and a tax on imports. For as the foreigner buys only with reference to bullion values, 8 out of the 10 per cent. premium or bonus got by the exporting merchant on the sale of his bill, suffices merely to compensate him for the low bullion price at which he has sold his goods; while, on the other hand, the importing merchant is compensated for 8 out of the 10 per cent. premium on the bill he has had to buy, by the correspondingly increased price which the depreciation of the currency enables him to obtain in the home market for the goods he has imported. It is clear, therefore, that in both cases 2 per cent. is the limit to which the adverse exchange will have acted as a bonus on exports and tax on imports; precisely the same, in short, as under a convertible currency. “Nothing can be plainer to the commonest understanding,” says *Wilson*, in his ‘*Capital, Currency, and Banking*,’ “than that any change of price which takes place from a depreciation of the currency is only nominal, and not real, and in no way acts on the relative prices of other countries, which remain precisely the same as before. When the French assignats were depreciated by over-issue, and all commodities in France had risen in price, *expressed in assignats*, that rise was compensated in relation to all other countries, by a corresponding fall in the exchanges. If, before the depreciation commenced, the exchange between Paris and London showed that *twenty-five francs* were equal to *one pound*, as the depreciation proceeded, it would require a constantly increasing number of francs to purchase a bill on London of any given amount. Any rise of price, therefore, which took place in France, constituted no additional inducement to ship goods from this country; for, whatever was apparently gained by their sale in France, would be lost in the exchange in making the remittance to London. Or, if other goods, of French produce, were imported as returns for our shipments, they would be purchased at a price relatively high.” The reader has only to apply this clear reasoning to Mr. Blacker's discovery to detect the fallacy which it involves.

THE UNION BANK OF CALCUTTA.

WE have received, since our last publication, copies of a printed statement, which has been addressed by Mr. J. C. Stewart (for some time manager of this bank) to the shareholders, in exculpation of himself from charges made against him since the failure of the establishment; together with the report of the committee appointed to recommend a plan for winding-up the bank; and also reports of the meetings of shareholders that have taken place in India since the suspension.

We have carefully gone over Mr. Stewart's statement, and think that it satisfactorily exonerates him from the charge of being a party to the scandalous mismanagement which has brought ruin on the bank and those connected with it. He appears, very early after his joining the establishment, to have discovered the character of the directors, whose orders he was called upon to carry out; and he seems to have protested firmly and repeatedly against their course of proceedings. Being unable to obtain a reform and foreseeing the result which must necessarily ensue, he ultimately threw up his situation and retired from the bank's service; and if any blame can attach to him, it is for not having *publicly* made known the reasons which induced him to take this step. We believe this is the only complaint made against him in India, but his statement will explain why he was not called upon and did not think it right to bring about a suspension of the bank, as he no doubt would have done had he made public his reasons for leaving its service.

We give some important extracts from his statement; and annex the chief part of the report of the committee appointed to recommend a plan for winding-up the bank, leaving for another occasion an examination of the causes which has brought the establishment to its present deplorable condition.

[From MR. J. C. STEWART'S ADDRESS TO THE PROPRIETORS OF THE UNION BANK OF CALCUTTA.]

"The system on which the Bank conducted business previous to January, 1844, (when, properly speaking, my incumbency commenced), or rather the absence of all right system, the consequent depreciation of his credit, and its heavy losses, are sufficiently known to the public. The books of the Bank were then in a most confused state, from multiplied divisions, and a complication of irregular records, so that some of the accounts were actually unintelligible, and all of them much in arrear. The general laxity with which its business was then conducted, may be instanced by the fact that not many days after my appointment, two of the then Directors (I am prepared to name them, if necessary) went personally to the Cash Department, and obtained, without any difficulty, and without my knowledge, discount of a bill which had been previously declined by the Directors of the day. A still more striking illustration of the general looseness of the system is furnished in the almost incredible fact that in the daily Cash Abstract of the Treasurer's Department, there was a

heading of Account called "Pass" *permanently* open for monies paid without due authority or Directorial cognizance.

To reform this state of things both in principle and practice, and bring confusion if possible into order, was the task assigned me; and I was expected (it would now appear), to do still more, and held to be responsible, in some measure at least, not only for the due discharge of my own special duties as the executive officer, but for the principles, the opinions, and the acts of the Directorial body.

The broad distinction between these two functions and their respective responsibilities, I never, for my own part, have lost sight of for one moment. It was my clear duty, at all times, and in every way, to aid the Directors in forming correct opinions, and to urge their observance of a sound policy, beyond this my power or my responsibility extended not. If I ever counselled the Directors to measures inconsistent with the soundest policy, or if I abstained from remonstrance where such principles were departed from, I was justly open to severest censure. But the case being quite the reverse, and my challenge disproof of my assertion, I protest utterly against being held responsible for the Directors' opinions, words, or actions.

In October, 1844, the important question, whether the Indigo Factories of the Bank should be carried on or not, came (for the first time since my incumbency), to be discussed. My utmost efforts, privately and officially, to prevent these outlays, and to compel a sale of the properties even at a present sacrifice, were exerted, but in vain. My last most earnest remonstrance was by a letter to Dwarkanath Tagore, to which his answer now before me is as follows:—

Saturday, 12th October, 1844.

"My Dear Stewart,—No one is more anxious than myself to see the Bank accounts of the Indigo Blocks all closed, *but it will not do to sacrifice property that this may be effected, for in such case this would be an matter to settle.* The mischief has been done, and we must just quietly out of it with as little loss as possible; it must be effected soberly and wisely, and not by stopping the advances, as you suggested, to the injury of the concerns, for this would have made *bad worse.* The great misfortune of the Indigo Factories has been the fall in prices; had there been any depression, the quantity made on account of the Bank would have not only repaid the last year's advance, but would have reduced a great part of the Block account. And these low prices have also been the cause of purchasers not coming forward—there is no want of money, but who in the face of such prices purchase a concern which will barely pay the interest on his money?"

At the Board Table, on that occasion, I stated to the Directors, that I should wash my hands of this business before the next meeting of the Directors, if called on to explain; that *I was not the Secretary of an Indigo Agency, but the Secretary of a Bank.*" My own entire disapproval of the system of indigo cultivation being conducted by the bank, though that system was upheld by the directors, and from time to time concurred in by the Directors, has never ceased.

The *monster grievance*, which I combated three years ago, viz., the unlimited extent to which any one house might obtain accommodation, appears to me that which has at this moment overwhelmed the bank more than any other. The two houses of Cockerell and Co., and Colville, Gilmore and Co., are stated to be indebted to the institution upwards of sixty-two lacs of rupees, whereas when I left the bank, thinking their joint amount of debt to it even then tolerable, that amount could not I think have much exceeded two or three and twenty lacs. In the one year then since my retirement, these two accounts alone seem to have been increased by some forty lacs! The system was not really bad long before, but it was then in the blossom only, or the bud;—

it is—i. e. during the year 1847—that it has borne its full fruit of bitterness, being utterly unrestrained in its growth.

The directors upheld and acted on the principle that every account in the bank was good for its full amount, and every debtor solvent until failure; and that then, and no sooner, did losses become properly ascertainable, and the collateral securities, indigo factories, &c., come into primary view and estimate. Indeed, the indigo cultivation policy may be said to have rendered this the only practicable manner of keeping such accounts at all; the fault was not in the *Book-keeping Department* of the bank, but in the *evil policy of the Bank Parlor*, by which the ascertainment of current profits or losses was ordered for postponement until the day when properties were finally disposed of.

In the month of April, 1846, a leading director of the bank attempted to obtain temporary possession of certain government paper belonging to the bank, for some private purpose of his own, using his influence for this end with the native officer in whose charge the paper was, without my knowledge. Detecting the act, I informed the individual that but for my approaching resignation, I should feel it my duty to expose him. It is indispensably necessary, in my own defence, that I should distinctly state this incident, since the real cause of my resignation, viz., my entire dissatisfaction with a ruinous and incurable general system of business, upheld by directors possessed of no adequate capital of their own, and trading on that of the bank, has often been misrepresented as originating suddenly and solely “in a private squabble” with the then president of the bank. I stated no such reason in my letter of resignation. That *other* and *later* circumstance, indeed, compelled me to come to a more immediate decision than otherwise might have been made; but it was at very most the mere *occasion*, not the *cause*, of my resignation, and I uniformly stated so to all who conferred with me on the subject.”

REPORT OF THE SPECIAL COMMITTEE, APPOINTED 15TH JANUARY, 1848, TO RECOMMEND A PLAN FOR WINDING-UP THE BANK.

We have devoted ourselves daily, during the past week, to the duty assigned to us, of examining the assets and liabilities of the Bank, and digesting a scheme for the liquidation of the latter. The conclusion at which we have arrived is the most painful one,—that *the liabilities exceed the assets*, that the Bank therefore as such is insolvent, and that prompt and stringent measures must be adopted to wind it up. To very many out of the long list of Shareholders this sentence is one of utter ruin;—to all, it carries loss and misfortune, but we think that the most sanguine will admit that there is no other alternative.

We have received several communications calling upon us to investigate and report on the causes of the Bank's insolvency; but it appeared to us that we had no authority as a committee to enter into this important inquiry, neither indeed did time admit of our doing so had the task been assigned to us. But we feel at liberty to express our unanimous conviction that such an investigation is indispensably necessary, and strongly recommend that it be forthwith entered upon. We think that if delinquencies have been committed they should be fully exposed, and the principal parties concerned in them punished, if any instance sufficiently flagrant can be found to justify an appeal to the law. We are convinced that such an example would not be without its effect in all public institutions, controlled by a direction similarly constituted, and that it may prevent in time the perpetration of acts calculated to bring destitution upon thousands of innocent persons. Such a course we consider necessary for the vindication of the fair fame of the British community; for we are persuaded that the ruin of this once flourishing Bank has not only

inflicted a grievous blow on the commercial credit of Calcutta, but has sullied, throughout all India, our national reputation for fair and upright dealing.

We have now to report that the whole of the assets of the Bank have been most carefully and minutely examined by the committee on fully detailed statements submitted to them; but in making out the accounts for publication, we have deemed it necessary to abstain in a great measure from detail, on account of the practical inconvenience that would be found to arise from it. The factories have been valued at very low amounts individually, and were these sums placed opposite each other on the committee's valuation, it would be impossible for the parties who may be appointed to wind up the Bank to obtain any advance on these valuations, which your committee trust they may in some instances be able to do. The same observation applies, and with greater force, to the inexpediency and indeed impropriety of specifying the names of debtors to the Bank, and the scale on which their debts are estimated. In order to obtain time and to give the assets reasonably fair play, it appears to us that from 15 to 20 lacks of rupees are required immediately, and for this purpose a *call* is indispensable. Without such a sum or something approaching it, no proposition which the creditors are likely to accept can possibly be made, and forbearance from suits cannot be hoped for. The result of litigation will, of course, be an accumulation of costs in the first instance, thus swelling the aggregate of liabilities, and in the next place an enormous sacrifice of the assets by forced sales. The property of the Bank will thus be speedily exhausted (at least the whole of it which is seizable) and the proprietors individually may then be attacked by a sufficiently summary process. If steps be not taken to avert these most calamitous consequences, it is obvious that the proprietors will ultimately be compelled to pay, and without hope of reimbursement, a much larger sum than they are now called upon voluntarily to contribute with a fair prospect of some portion at least being returned.

The question in what mode and on what principles such call should proceed, is one of very great difficulty. If the call were *per share* merely, we think it would produce in the aggregate a very inadequate sum. On the one hand, many of the wealthy proprietors of the Bank hold but very few shares, while several of the largest holders of shares would be utterly unable to meet a call of even one hundred rupees per share. Moreover, such a principle of calculation of the amount payable by each, will in many instances lead to disputes and difficulties. What period is to be referred to in calculating the number of shares held by each individual Shareholder? Numerous transfers have been made within the last few months, *bona fide*, some *benamee*, some have been registered, some not. Even supposing all to have been *bona fide*, and all complete, it is difficult to say that the period for calculating the number of shares, with reference to the quantum of liability, should be the present moment, instead of some earlier period, when the very liabilities now subsisting were incurred. Then it must be borne in mind that a call under existing circumstances is not an increase of capital, but is in some degree in the nature of an application for a loan from the Shareholders, for mutual protection. If not responded to, and if the creditors are driven to sue and to resort to the Shareholders individually, the liabilities of the latter will not be measured by the number of shares which they may respectively hold. The holder of a single share will be liable, as much and to as great an extent, as the holder of 500—such extent being, in fact, the whole amount of his property.

Under these circumstances we think there should be a call not only per share, but upon proprietors individually.

The former may be considered a *pro rata* contribution which the deed authorises in cases of necessity even after the full capital has been paid up. The latter is in the nature of a compulsory loan, which the wealthy share-

holders must submit to in order to avoid the greater sacrifice which refusal must entail.

With regard to the amount of call, it seems to us that the contribution per share ought not to be less than two hundred rupees. A large majority of the shareholders are no doubt unable to meet such a call, and probably some who are able will not be willing. But if even a few shareholders unite, they will be able, by means of the co-operation of the creditors, to compel the dissentients to bear their share of the burthen by the course of proceeding presently mentioned. We hope, however, that a considerable number will at once acknowledge the necessity of the measure, and voluntarily come forward with their ability.

The contributions in the nature of loans are more difficult to deal with. Various plans have occurred to us, and certainly all are more or less open to objections, which it is not easy to answer. Still, money must be raised in some shape, and as creditors of the bank may select individual shareholders to proceed against without assigning any reason for the selection, the only question seems to be what is at once the *least* objectionable and the most effective mode of raising a considerable sum? An appeal to the shareholders generally for a voluntary loan, without specifying the amount expected from each, would doubtless be a very unproductive measure even if accompanied with the offer of specific security. On the other hand, to fix varying amounts according to the supposed means of individual shareholders would be highly invidious, and at the same time, a most arbitrary expedient. It seems to us, therefore, that the only alternative is to specify a certain sum to be called for from one and all, leaving it to the discretion of the future committee of management to determine which of the shareholders may reasonably be expected to make the advance in full or in part, and which of them are in such circumstances as to be wholly unable to respond to the call.

Our proposition is that an executive committee be appointed *immediately*, for the purpose of liquidating the affairs of the bank, with as little loss and sacrifice as possible. The members of such committee may be called trustees, inspectors, or even directors, and one of the number may be designated secretary, or a secretary or general manager may be appointed in addition. The designations of the offices are not matters of such practical moment; but it may be advisable, with reference to the deed of co-partnership to retain, nominally at least, the machinery of management which the deed contemplates.

It is scarcely necessary to add that the business of winding up the bank's affairs must be conducted on the most economical scale. We propose that the present premises should be sold to the best advantage immediately, and a suitable office rented at a moderate rate. The present establishment must of course be reduced to such a number on such salaries as the altered and limited nature of the duties requires. The details of this arrangement should, perhaps, be left to the committee, subject to approval at the next meeting.

We think that the proposition to be made to creditors should be the payment of their claims, with interest, by monthly instalments, commencing on the 1st March next.

(Signed by the members of the committee, consisting of Messrs. Elliot, Morton, Fergusson, J. Calder Stewart, and James Stuart.)

APPENDIX TO THE REPORT OF THE COMMITTEE. CONTAINING A STATEMENT OF THE ASSETS AND LIABILITIES OF THE UNION BANK.

ASSETS.	Co's Rs.
<i>Bank Premises</i> valued at	60,000
<i>Indigo Properties.</i> Dulsing Serai, Bowarrah, Bulleah, Bowsing, Big Union, Cootooreah, Baribaree, 8 annas of Bogla, Chowleah, Culnah, Meergunge, Dowleypore, Joradah, Hizlabut,	

Dowlutpore, Woomanundpore, Golbaree, Khoolina, Mohungunge, Colgong, Mundertollah, Bissarutpore, Hyrampore, 12 annas of Dooracole, Hatowry, Noada and Bunhar, Moisdah, Hurindub, Autparrah, Bispore, Narainpore, 8 annas of Comedpore, Seezdah, valued by the committee at				23,38
<i>Talooks Mortgaged to the bank</i> .. ..	..	..	..	3,00
<i>House Property ditto</i> .. ..	..	..	..	50
<i>Surplus of Government paper</i> .. ..	..	..	..	35
Do. Indigo in the Bank of Bengal .. ..	..	..	..	1,00,000
Do. do. with other parties .. ..	..	..	..	1,10,000
Indigo to be accounted for to the Bank .. ..	..	..	..	8,00,000
				10,10

NOTE.—The indigo represented by this last item of 8 lacs, is principally held by parties as security for payments of post bills, and will, therefore, only be available for the purpose of paying such, reducing the liabilities to a proportionate extent.

JOINT STOCK SHARES PLEDGED TO THE BANK.

	Co's. Rs.	Co's. Rs.
Bengal Coal Company, 21 shares pledged for ..	15,500	
145 shares sold for	1,18,390	1,33,890
Steam Tug Association, 93 shares valued at ..	800	74,400
Fort Glo'ster, 75 shares valued at	600	45,000
Assam Company, 210 shares valued at	50	10,500
Bengal Indigo Company, 195 shares valued at ..	1,000	1,95,000
Bonded warehouse, 20 shares valued at	300	6,000
Docking Company, 188 shares valued at	500	59,000
Madras Bank shares		43,700
		5,67

NOTE.—The 145 Bengal Coal Company shares, and the Madras Bank shares, are available only by transfer, being already with parties as security for claims on the bank.

<i>Private Bills Discounted</i> , and loans to sundry parties on joint and personal securities which stand in the books at 38 lacs,—these have been very carefully estimated and are valued at ..				13,87
<i>Bills returned</i> , amounting to £2,40,000. Of these a considerable portion may be provided for either now or ultimately by the drawers or endorsers, but the committee at present estimates only £36,000, or say				3,60

Total Assets Co's. Rs. 61,07

LIABILITIES.

	Co's. Rs.
<i>Bank notes</i>	55,910
<i>Floating accounts</i> , including the Commercial Bank of Bombay	7,76,800
<i>Fixed deposits</i>	7,44,000
<i>Bank post bills</i>	23,75,000
<i>Returned bills</i> and bills dishonoured £2,70,000, or say	29,00,000

Total Liabilities 68,82

The claims on insolvent estates have not been included in the estimate of assets, though there is no doubt that a considerable sum will eventually forthcoming from this source. For the greater part of the bills returned, Bank will rank on estates both here and in London.

THE FINANCIAL EFFECTS OF THE FRENCH REVOLUTION.

La Presse (which, it should be remembered, is opposed to the Provisional Government) gives the following calculation of the loss of property which has taken place in consequence of the destruction of credit, and consequent depreciation of every species of investment, which has followed the political catastrophe of the 24th February:—

The depreciation of securities at the Bourse since the 23rd February to 12th April amounts, on the funds, the Bank of France, and railways, to the enormous sum of 3,749,060,811 francs, and there may be added to this more than 1,000,000,000 francs for other securities, such as canals, bonds, mines, gas, assurances, &c., the greater part of which have not been quoted for six weeks past.

The 3 per cents., amounting to 68,114,833 francs, represented on 23rd February, at the then price of 74 f. 70 c. a capital of	1,670,021,959
The 4 per cents., amounting to 26,507,375f. at 99f. a capital of	656,057,531
The 4½ per cents., amounting to 1,026,600f., at 104, a capital of	23,725,866
The 5 per cents., amounting to 146,752,528f., at 116.10, a capital of.....	3,407,573,700
Franks	<u>65,757,379,056</u>

On the 12th April the 3 per cents. had fallen to 42.50, representing a capital of.....	964,960,842
The 4 per cents., to 46, a capital of.....	301,834,962
The 4½ per cents., to 50, a capital of.....	11,406,600
The 5 per cents., to 61, a capital of.....	<u>1,190,380,841</u>
	2,468,583,245
Being a loss of.....	<u>3,288,795,811</u>

This loss was much greater eight days earlier, since at that time the 3 per cents. had fallen to 32, and 5 per cents. to 50.

The 67,000 Bank Shares were, on 23rd February, at 3,180f., being a total of.....	223,060,600
On 12th April, at 1,120f.	<u>76,380,000</u>
Being a loss of.....	<u>146,680,600</u>

The railways on 23rd February, six lines were quoted above par, viz. :—	
Orleans at 1,180 for 80,000 shares, being a capital of.....	94,400,000
Rouen, at 858.75 for 72,000 shares, being.....	61,130,000
St. Germain, at 660 for 180,000 shares, being.....	11,880,000
Marseilles, at 532.50 for 40,000.....	21,300,000
Vierzon, at 501.25 for 66,000.....	23,182,500
North, at 536.25 for 400,000.....	<u>114,000,000</u>
	325,892,500

The capital on April 12th, was reduced as follows :—	
Orleans, at 440.....	35,200,000
Rouen, at 305.....	21,960,000
Saint Germain, at 350.....	6,300,000
Marseilles, at 190.....	7,600,000
Vierzon, at 220.....	8,580,000
North, at 327.50.....	<u>31,000,000</u>
Being a loss of.....	<u>215,252,500</u>

312 FLUCTUATIONS OF FRENCH RAILWAY SHARES.

The other lines were already below par, but the depreciation has, since 23rd, been enormous, and the loss on April 12th as follows :—

Versailles (r. d.).....	295	fell to	95	Loss....	4,400
Versailles (r. g.).....	195	"	95	"	2,000
Bale.....	157 50	"	77 50	"	6,700
Boulogne.....	360	"	150	"	15,750
Lyon.....	385	"	305	"	32,000
Bordeaux.....	475	"	385	"	11,700
Nantes.....	380	"	335	"	3,600
Strasbourg.....	411 25	"	340	"	15,312
Montereau.....	237 50	"	125	"	4,500
Dieppe.....	557 50	"	125	"	4,770
Havre.....	417 50	"	170	"	9,900
Loss.....					110,632

RECAPITULATION.

Funds.....	loss on.....	3,285,795,811
Bank shares	"	146,680,000
Railways	" 6 lines 205,952,500 }	316,585,000
"	" 11 lines 110,632,500 }	

General Total.... Francs 3,749,060,811

Before the 23rd February, eleven lines were below par, having 143,347,500f., according to the prices at the Bourse, which brings the loss on railways to 459,932,500f.

FLUCTUATIONS IN PRICE OF FRENCH RAILWAY SHARES IN 1847.

The following list of the share prices in 1847 will serve to give an idea of the losses of the shareholders on the French lines :—

	Prices on Dec. 31, 1846.		Lowest prices of 1847.		Last prices Dec., 1847.	
	f.	c.	f.	c.	f.	c.
Orleans.....	1,257	50	1,120	.....	1,207	50
Rouen.....	917	50	845	.....	906	25
Havre.....	680	.....	432 50	.....	433	75
St. Germain.....	1,077	50	750	.....	750	.....
Versailles (R. B.)....	405	.....	245	.....	310	.....
Ditto (L. B.).....	260	.....	145	.....	195	.....
Marseilles.....	875	.....	495	.....	577	50
Bale.....	218	75	145	.....	160	.....
Boulogne.....	442	50	335	.....	365	.....
Northern.....	646	25	495	.....	547	50
Lyons.....	511	25	360	.....	400	.....
Vierzon.....	610	.....	515	.....	543	75
Bordeaux.....	565	.....	420	.....	486	25
Nantes.....	490	.....	335	.....	393	75
Strasbourg.....	483	75	360	.....	415	.....
Montereau.....	340	.....	230	.....	258	75
Dieppe.....	360	.....	241 25	.....	258	75

FINANCIAL CONDITION OF THE BANK OF FRANCE.

The following are the periodical returns of the condition of the Bank of France which have been published since our last number :—

ASSETS.	At 30th March.		At 6th April.		At 13th April.		At 20th April.	
	£.	c.	£.	c.	£.	c.	£.	c.
Cash and ingots	55,078,565	24	53,432,367	50	53,383,396	67	51,365,750	58
Cash at the branch banks ..	46,998,605	0	43,402,580	0	39,060,900	0	37,473,385	0
Overdue bills	12,926,212	71	19,805,489	77	17,036,547	17	22,990,104	9
Bills becoming due in Paris ..	345,766,092	60	218,554,999	45	211,447,529	46	196,697,311	59
Bills in the branch banks ..	51,619,382	36	57,141,538	46	67,660,374	33		
Advances in coin and ingots ..	2,693,200	0	2,490,900	0	2,684,900	0	4,476,100	0
Ditto on public securities of France	12,443,482	90	12,354,032	90	11,632,182	90	11,466,682	90
Due from the branch banks on their notes in circulation ..	14,699,750	0	15,126,750	0	15,741,000	0	15,222,500	0
Rentes of the reserve fund ..	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
Rentes of disposable funds ..	11,660,197	89	11,660,197	89	11,660,197	89	11,660,197	89
Hotel and furniture of the Bank	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Interest in branch bank at Algiers	1,000,000	0	1,000,000	0	1,000,000	0	1,000,000	0
Interest in National Discount Bank	200,200	0	200,000	0	200,000	0	200,000	0
Bills protested	2,963,821	79	7,143,579	50	9,410,749	64	9,162,600	23
Bills arising from the sale of rentes to Russia, yet to be received	994,436	04	831,191	6	703,479	0	360,067	19
Expenses of administration ..	341,962	21	419,572	30	419,502	30	419,467	40
Sundries	26,583	96	46,560	8	26,086	98	181,090	64
Advance to the state on Bons du Tresor of the republic ..	50,000,000	0	50,000,000	0	50,000,000	0	50,000,000	0
	526,404,292	69	507,509,808	91	506,466,745	34	500,852,749	30
LIABILITIES.								
Capital	67,900,000	0	67,900,000	0	67,900,000	0	67,900,000	0
Reserve fund	10,000,000	0	10,000,000	0	10,000,000	0	10,000,000	0
Reserve in real property	4,000,000	0	4,000,000	0	4,000,000	0	4,000,000	0
Notes to bearer in circulation ..	285,780,100	0	285,595,400	0	293,790,700	0	293,008,300	0
Do. of the branch bank	14,699,750	0	15,126,750	0	15,741,000	0	15,222,500	0
Do. to order (post bills)	2,222,515	60	1,930,545	60	1,783,100	0	1,823,792	0
Account current with treasury	58,336,375	64	49,331,669	77	43,997,428	48	36,885,365	95
Various accounts current ..	75,791,318	85	65,454,515	82	61,747,940	81	59,443,981	87
Bills payable at sight	1,756,000	0	1,776,000	0	1,097,000	0	991,000	0
Re-discounts of the last half year	728,692	37	728,692	37	728,692	37	728,692	37
Dividends unpaid	320,669	25	297,436	25	261,991	25	254,641	25
Discounts, interest, and expenses	2,848,442	87	3,021,757	11	3,107,066	54	3,180,479	2
Branch bank of Algiers, sum not yet employed in treasury bonds	1,086,203	69	1,086,203	69	1,086,223	69	1,091,298	69
Branch bank drafts to be paid ..	797,782	15	1,065,035	3	1,038,792	93	1,119,222	88
Sundries	133,412	27	195,803	27	200,899	27	205,074	27
	526,401,292	69	507,509,808	91	506,466,745	34	500,852,749	30

From the above it will be seen that the position of the Bank is becoming less favourable every week. The bullion still rapidly diminishes, notwithstanding the restriction on cash payments; and it is difficult to see in what way the Bank and the Government will escape from their difficulties. It will be observed that the advance to the Government of the fifty millions of francs is now included in the "assets" of the Bank, forming nearly as large an amount as the specie on hand at Paris.

Railway Digest.

THE RAILWAY BALANCE SHEETS FOR THE HALF YEAR ENDING JANUARY, 1848.

In order to present, in a convenient form for reference, the more important items in the Railway Reports presented at the meetings recently held, we have compiled the following table, showing the total amount of *Capital* raised and expended, and of *Revenue* received; with the current expenditure, and the balance remaining for payment of the dividend, for nearly all the railways which have published reports. The figures are taken from the printed statements, and we think the list will be found valuable as indicating the exact financial position of each of the companies named. We have also given the date of the meetings, so that the full report of each company may readily be found in the railway journals.

NAME OF RAILWAY.	Capital Account to Jan. 1848.			Revenue Account to Jan. 1848.			Date of Meeting, 1848.
	Received.	Expended.	Balance.	Received.	Paid.	Balance.	
Ambergate, Notts, and Boston -	222,579	208,535	14,344	—	—	—	Feb. 25
Belfast and County Down -	53,150	51,223	6,927	—	—	—	Feb. 25
Birmingham, Wolverhampt., &c.	460,918	426,355	34,663	—	—	—	Feb. 29
Birmingham, Wolverhampton, and Dudley -	91,894	61,212	30,682	—	—	—	Feb. 19
Boston, Stamford, & Birmingham	58,624	41,623	19,001	—	—	—	Feb. 21
Blackburn, Bolton & Clitheroe	549,116	521,648	18,547	1,592	594	998	Feb. 17
Bristol and Exeter -	—	—	—	50,177	—	—	March 2
Blackwall -	1,120,408	1,079,138	41,270	33,023	28,527	7,496	Feb. 22
Do. Extension -	161,923	188,262	26,339	..	..	..	Feb. 19
Buckinghamshire -	394,194	366,095	28,099	..	..	..	Feb. 27
Caledonian -	3,594,471	3,306,623	288,848	—	—	2,964	March 8
Cheltenham and Oxford -	—	27,476	—	—	—	—	Feb. 26
Chester and Holyhead -	2,622,303	2,579,995	42,308	—	—	—	March 8
Cockermouth and Workington	99,588	109,853	10,265	3,023	2,335	688	Jan. 28
Colchester and Stour Valley -	87,696	79,286	8,409	—	—	—	Feb. 20
Cork and Bandon -	77,603	76,711	919	—	—	—	Feb. 9
Cork and Waterford -	75,549	63,084	12,465	—	—	—	Feb. 25
Cornwall -	—	—	51,628	—	—	—	Feb. 25
Coventry and Birmingham	104,000	..	..	..	..	..	Feb. 1
Dublin and Belfast -	352,619	308,745	43,873	—	—	—	Feb. 23
Dublin and Drogheda -	761,288	754,499	6,789	30,812	24,136	6,677	March 2
Dundee and Arbroath -	176,282	..	..	11,156	4,163	7,063	Jan. 3
Dundalk and Enniskillen -	10,062	..	..	—	—	—	Feb. 22
Dundee and Perth -	—	—	—	—	—	—	Feb. 28
East and West India Docks	176,944	143,818	33,326	..	..	..	Feb. 24
East Anglian -	1,066,985	1,062,742	4,243	..	..	..	Feb. 16
Eastern Counties -	7,329,320	7,297,242	23,078	223,851	179,376	144,475	Feb. 26
East Indian -	55,621	12,403	43,218	..	..	..	Feb. 19
East Lincolnshire -	310,502	327,291	16,789	..	..	..	Feb. 23
Edinburgh, Leith and Granton	354,000	..	..	7,572	..	..	Jan. 31
Exeter and Crediton -	93,707	88,621	5,175	..	..	..	Feb. 12
Fleetwood, Preston, &c. Junct.	86,036	71,162	14,874	..	..	..	Feb. 28
Furness -	308,721	207,979	741	5,839	4,356	1,483	Feb. 29
Glasgow, Paisley, and Greenock	—	—	—	33,983	18,424	18,559	Mar. 13
Glasgow, Paisley, Kilmarnock, and Ayr -	—	—	—	66,555	35,712	30,843	March 2
Gloucester and Dean Forest	62,476	56,655	6,821	..	..	..	Feb. 26
Great Northern -	2,080,882	1,837,847	243,035	..	..	..	Feb. 24
Great North of England -	—	—	—	..	..	..	Feb. 9
Great Western -	10,996,899	10,970,635	26,254	534,454	210,443	324,011	Feb. 17
Hull and Selby -	—	—	—	—	—	—	Feb. 18
Huddersfield and Manchester	970,311	945,164	25,147	2,757	1,524	1,233	Feb. 25

NAME OF RAILWAY.	Capital Account to Jan. 1848.			Revenue Account to Jan. 1848.			Date of Meeting, 1848.
	Received.	Expended.	Balance.	Received.	Paid.	Balance.	
Huddersfield & Manchester Canal	—	—	—	1,345	673	673	Feb. 25
Ipswich and Bury	732,000	612,324	..	30,408	..	..	Jan. 26
Kendal and Windermere	5,550	3,394	2,156	..	..	..	Jan. 26
Kilkenny & Gt. Stn. & Westn.	16,074	16,063	323	..	..	..	Feb. 4
Lancaster and Carlisle	—	—	—	79,419	38,619	43,800	Feb. 9
Lancashire and Yorkshire	7,626,370	7,597,617	28,653	196,764	76,398	120,370	March 1
Leeds and Bradford	1,105,587	1,093,402	12,184	..	..	..	Feb. 18
Leeds and Thirsk	1,130,318	1,069,314	61,004	..	..	..	Feb. 26
Liverpl., Manchester & Newcastle.	181,500	101,460	80,039	..	..	..	Feb. 8
Lynn Valley	109,345	107,033	2,312	4,130	2,206	1,924	Feb. 24
London and Brighton	6,009,680	6,067,931	78,741	251,078	147,616	103,462	Feb. 11
London and Greenwich	..	..	..	19,288	11,966	7,321	Jan. 25
London and Portsmouth	110,355	78,051	32,304	..	..	..	Feb. 25
Londonderry and Enniskillen	145,698	145,134	764	..	..	..	Feb. 28
Londonderry and Coleraine	213,650	211,827	1,823	..	..	..	Feb. 28
Milton and Driffield	68,721	68,703	5,018	..	..	..	Jan. 31
Manchester and Southampton	112,023	60,627	51,435	..	..	..	Feb. 28
Manchester, Burton and Matlock	213,541	159,197	54,344	..	..	..	Feb. 9
Manchester, Sheffield & Lincoln	..	..	..	..	..	..	Feb. 16
Marport and Carlisle	440,851	419,032	21,819	17,110	14,738	2,372	March 1
Midland	9,883,123	9,707,824	85,298	600,041	312,006	287,975	Feb. 19
Newmarket	321,679	312,902	8,777	..	..	..	Feb. 28
Nerry and Enniskillen	..	..	17,577	..	..	..	Feb. 29
Norfolk	1,845,177	1,731,762	123,415	61,898	31,606	29,627	Feb. 25
Northampton and Banbury	35,007	2,902	30,005	..	..	..	Jan. 7
North British	2,790,574	..	..	63,789	36,357	27,431	Mar. 9
Northern and Eastern	944,369	962,467	31,091	..	..	..	March 2
Northern Counties' Union	199,989	98,978	99,021	..	..	..	Feb. 10
North Staffordshire	1,278,875	1,188,896	89,979	..	..	..	Jan. 19
North Wales	45,697	25,404	22,193	..	..	..	Feb. 22
North Western	21,882,801	21,656,548	326,253	1,160,185	512,230	647,953	Feb. 18
Oldham Alliance	45,710	13,866	31,844	..	..	..	Feb. 24
Oxford, Worcester, and Wolver-	..	..	..	..	..	..	..
hampton	983,352	967,527	15,725	3,270	2,421	..	Feb. 25
Paris and Rouen	..	..	..	5,366,628	3,031,662	2,335,000	Jan. 28
Reading, Guildford, and Reigate	235,917	144,386	91,531	..	..	..	Feb. 22
Royston and Hitchin	44,648	38,665	5,983	..	..	..	Feb. 21
Sambre and Meuse	562,817	486,750	83,067	..	..	..	Jan. 22
Scottish Central	1,096,117	991,331	104,785	..	..	..	Feb. 29
Scottish Midland	..	..	..	..	..	..	Feb. 25
Shrewbury and Birmingham	430,578	411,237	19,341	..	..	..	Feb. 11
Shrewsbury and Chester	806,816	780,272	26,544	15,096	6,223	8,874	Feb. 22
Shropshire Union	581,067	386,477	294,590	..	..	..	Feb. 29
Sigo and Shannon	5,189	5,069	70	..	..	..	Feb. 22
Southampton and Dorchester	29,219	28,900	318	..	..	..	Feb. 24
South Eastern	7,118,103	6,933,181	185,022	251,615	123,820	127,795	March 1
South Devon	1,086,784	1,069,070	17,714	23,743	18,840	5,903	Feb. 29
South Staffordshire	146,308	84,010	40,453	..	..	..	March 2
South Western	3,431,002	5,377,128	63,874	247,625	143,145	104,479	Feb. 17
South Yorkshire, Doncast. & Goole	161,387	70,523	43,613	..	..	..	Feb. 25
Taff Vale	..	..	..	..	..	..	Feb. 17
Tau Vale Railway and Dock	119,189	117,560	1,629	..	..	..	Feb. 12
Tenby, Saundersfoot, Gth. Wales	30,435	27,491	2,944	..	..	..	Feb. 23
Thames Haven	..	..	12,740	..	..	..	Feb. 29
Vale of Neath	104,070	30,086	74,884	..	..	..	Feb. 9
Waterford and Limerick	..	..	..	..	..	..	March 2
Waterford, Wexford, & Wicklow	124,791	70,406	54,385	..	..	..	Feb. 26
West Cornwall	180,522	178,062	1,560	15,936	14,899	1,036	Feb. 22
West London	276,868	276,321	547	..	..	..	March 9
Wharfedale	64,263	37,036	27,227	..	..	..	March 1
Wiltonstown, Morningside and Coltness	82,792	125,807	43,015	3,347	2,514	823	Feb. 11
Wilt. Somerset and Weymouth	738,610	705,715	32,895	..	..	..	Feb. 29
Windsor, Staines, & S. Western	145,197	128,555	16,642	..	..	..	Feb. 22
York and North Midland	3,799,297	3,693,263	106,032	251,765	87,952	163,813	Feb. 21
York, Newcastle, and Berwick	4,466,526	4,280,286	186,240	352,453	135,739	216,714	Feb. 21

Banking and Commercial Law.

THE LAW OF CHEQUES.—ON THE FORM AND REQUISITES OF CHEQUES.

IN continuation of our remarks on the law of cheques, we now beg to direct attention to some of the more important decisions of the courts with reference to the requisite legal form in which a cheque must be drawn. It is necessary that cheques should be drawn in a proper form, in order that they may fall within the exemption from stamp duty, and justify the banker to whom they are addressed in paying them.

The Stamp Act, 55 Geo. III. c. 184, exempts from stamp duty,

“All drafts or orders for the payment of any sum of money to the bearer on demand, and drawn upon any banker or bankers, or any person or persons acting as a banker, who shall reside or transact the business of a banker, within ten miles of the place where such drafts or orders shall be issued, provided such place shall be specified in such drafts or orders; and provided the same shall bear date on or before the day on which the same shall be issued, and provided the same do not direct the payment to be made by bills or promissory notes.”

This clause of the statute remained in force until the year 1828, when the exemption was extended by the 9 Geo. IV. c. 49, s. 15, which is the act that now regulates this branch of the subject, and is in the following words:—

“And be it further enacted, that from and after the passing of this act, all drafts or orders for the payment of any sum of money to the bearer on demand, and drawn in any part of Great Britain, upon any banker or bankers, or any person or persons acting as a banker, who shall reside or transact the business of a banker within *fifteen* miles of the place where such drafts or orders shall be issued, shall be and the same are hereby exempted from any stamp duty imposed by any act or acts in force immediately before the passing of this act, anything in any such act or acts to the contrary notwithstanding; provided the place where such drafts or orders shall be issued shall be specified therein; and provided the same shall bear date on or before the day on which the same shall be issued; and provided the same do not direct the payment to be made by bills or promissory notes.”

The only material difference between the two foregoing acts is, that the last requires the cheque to be drawn in any part of Great Britain, and upon a banker who lives within fifteen miles of the place where the cheque is issued. In other respects the words of the two acts are the same, and the cases which have been decided upon one are applicable to the other.

The requisites prescribed by the law, with regard to the form of a cheque, are few and simple, but they are highly important. In general, bankers supply printed cheque books to their customers, which contain blank forms to be filled up. The common form runs as follows:

"London, 1st January, 1848.

"Messrs. Smith, Payne and Smith.—Pay [Mr. Wood] or bearer Fifty Pounds.

"£50.

"[Edward Bright.]"

We will consider the different parts of the instrument, and the legal decisions that have taken place upon them, in the following order :

- 1st. The place where the cheque is issued.
- 2nd. The time when the cheque is issued.
- 3rd. The name and address of the bankers.
- 4th. The person in whose favour the cheque is drawn.
- 5th. The words, "or bearer."
- 6th. The sum payable.
- 7th. The drawer's signature.

After considering these points, we will proceed to examine,

8th. The penalties attending the evasion of the stamp duties under the pretence of cheques.

9th. The effect of such an evasion upon an innocent holder ; and

10th. The admissibility of cheques, violating the stamp laws, in evidence under certain circumstances.

1st. *The place where the cheque is issued.*—The statute requires that the place where the cheque is issued should be stated. It will be observed that it is the place where the cheque *is issued*, and not where it is *drawn*, that is required. When, therefore, the cheque is drawn in one place and issued in another, the latter place should be stated. The following are the principal decisions upon this part of the subject :—

"In *the King v. Pooley*, 3 Bosanquet and Fuller's Reports, 311, the prisoner was tried at the Old Bailey September Session, 1800, before *Chambre, J.*, for secreting a letter containing a cheque. It appeared that the draft was directed to the Stratford Place Banking House, in Marylebone, and was dated at London ; but at the trial it was proved to have been drawn at Teston, near Maidstone, in Kent, above ten miles from the banking house ; and thereupon an objection was taken by the prisoner's counsel, that as the draft contained in the letter was drawn upon unstamped paper, it was not a valid order for payment of money, and therefore not within the statute. This point having been reserved for the opinion of the twelve judges, was argued before them on the 21st November, 1800, in the Exchequer Chamber.

"For the prisoner it was argued, that a draft for the payment of money, within the meaning of the statute, must be such a draft that the person in whose favour it is drawn may compel the payment of the money mentioned therein by action ; whereas the draft in this case was altogether ineffectual at law."

"In *R. v. Moffat*, 2 Leach, cap. 483, it was decided that forgery could not be committed of a bill of exchange drawn for a less sum and in a different form than that required by 17 Geo. III., c. 30 ; and in *Mary Mitchell's* case, Post. 119, the prisoner having forged an order on a tradesman for the delivery of goods, in the name of an overseer of a parish, requesting him to let the prisoner have the goods, and he would see them paid for, the judges held it

not within 7 Geo. II., c. 22, which makes it felony to forge any warrant or order for delivery of goods, the terms used not being strong enough to amount to a warrant or order. That determination has since been expressly recognised in *R. v. Williams*, 1 Leach, C.C., 134. So in *R. v. Clinch*, 2 Leach, C.C. 611, it was decided that the order must be directed to the person who is in possession of the goods, and must import that the person whose name is charged to be forged had authority to make it. The same doctrine was laid down in *R. v. Ellor*, 1 Leach, C.C., 363, with respect to the forgery of orders for the payment of money under 7 Geo., II., viz., that the terms of the order must be positive. In all these cases the judges have construed the act by which a new felony was created in the strictest manner, not regarding whether the cases were within the mischief guarded against by the legislature, if not within the true construction of the letter of the act. Now, by the 7 Geo. III., c. 50, a new felony was created, and the words used as applicable to this indictment are, 'draft for the payment of money.' It was on account of the value of these instruments and their negociability, that the legislature considered the offence in so serious a light, and punished it with death. But the 31 Geo. III., c. 25, having imposed a particular stamp upon them, and declared them not to be available, either in law or equity, without that stamp, the draft taken out of the letters by the prisoners had neither value nor negociability; and though it imports to be payable on demand, yet the holder could not have compelled that payment.

On the part of the crown it was argued that, though the draft in question could not have been received in evidence for the purpose of compelling payment of it, yet it may be received in evidence to convict the prisoner of the offence with which he is charged. In *R. v. Hawkeswood*, 1 Leach, C. C., 292, it was held that a bill of exchange not stamped might be received in evidence to support an indictment for forgery: and in *R. v. Collins Reculist*, 2 Leach, C. C., 811, an unstamped promissory note was received in evidence to convict the prisoner of uttering the same. In that case *Grose, J.*, in delivering the opinion of the judges, says, 'The proposition arising from the objection is, that the paper writing stated in the indictment is not a promissory note, because it is not on a stamp; but the question whether it is or is not a promissory note depends upon the tenor of the instrument, and not upon the circumstance of its being stamped or not.' The determination in *R. v. Moffat* proceeded on the words of the 17 Geo. III., c. 30, which had declared such a bill of exchange, as was forged in that case, void. But the 31 Geo. III., c. 25, does not declare the instruments there enumerated void, if not stamped; but that they shall not 'be pleaded or given in evidence in any court, to be useful or available in law or equity, as an acknowledgement of any debt,' &c., &c. The draft in this case could not have been enforced, being unstamped, but it did not appear upon the face of it to require a stamp, since it did not purport to be drawn above ten miles from London. The object of the legislature was to prevent the property of persons conveyed by the post from being stolen. [*Lord Eldon, C. J.*, said—'The legislature has not made it a felony to secrete any letter, but to secrete any letter containing such valuables as are there enumerated.']"

The opinion of the judges was never publicly expressed, but a pardon was granted to the prisoner, which proves that they considered the conviction to be erroneous, and that the cheque was not a valid order for the payment of money.

It appears difficult to reconcile this case with the recent one of *Reg. v. Taylor*, 1 Carrington & Kirkman's Reports, 213.

"A prisoner was indicted for forging, and also for uttering, on the 28th

of August, a forged note for the payment of £2 10s., with intent to defraud Richard Francis Adams.

The instrument was a banker's cheque, purporting to be drawn by W. Watkins upon the house of Dimsdale & Co. It bore date the 29th of August, and was given to the prosecutor by the prisoner on the 28th of August.

For the prisoner it was objected that it was not an order for the payment of money, as it was post-dated; and that in order to convict the prisoner it should purport to be an order for the present payment of money, and one which the party would be bound to obey on its presentation.

Cresswell, J. was of opinion that it was an order for the payment of money within the meaning of the statute, and that to make it such it was not necessary that the party should be bound to obey it at once if genuine. It might be that there were no effects, and then the party would not be bound to pay a cheque at once, and yet it would be an order for the payment of money."

"In *Borrodale v. Middleton*, 2 Campbell's Reports, 53, the defendant was sued for penalties for usury, and it was proved that persons named Wilkins and Lacy, on the 21st of April, received in London a letter from the defendant, sent from Frome in Somersetshire on the 20th, containing various cash notes for the sum of £242 7s., and that on the 21st they actually received cash for the whole of them except one—this was a cheque for £26 8s. upon Messrs. Hammersley & Co., Bankers, in London, drawn by Lord Cork, at Frome, payable to one John King. The paper on which the cheque was drawn was unstamped. W. & L. on the 21st paid it into their bankers, Sansom & Co., who immediately gave them credit for the amount. But Sansom & Co. did not present it for payment till the 22nd. On that day it was duly paid by Hammersley & Co.

The *Attorney General* objected, that as to this sum of £26 8s. there could be no forbearance from the 21st, which was the time alleged in the declaration, and that there was a fatal variance between the declaration and the evidence. The cheque being drawn by Lord Cork, at such a distance from the bankers who were to pay it, was void. Therefore, the facts of its being remitted to Wilkins and Lacy, and its being paid in by them to their bankers went for nothing, and there was no loan or forbearance by the defendant of the £26 8s. till the 22nd of April. *Garrow, contra*, contended that though Lord Cork would not have been liable upon this cheque, the defendant was precluded from contesting its validity after he himself had sent it as cash, it had been received as cash by W. and L., and their bankers had given them credit on the strength of it. Thus, in fact, it had operated as cash, and being regularly paid, the forbearance might well be laid from the 21st, when W. and L. found it available for £26 8s.

Lord Ellenborough said, 'the cheque is void in its creation, it is a mere blank. I have not legal optics to see its existence. Money was paid on the 22nd, and it was from that day only that the forbearance commenced as to this sum. The cheque is a mere nullity. If it had been lost on the 21st, it would have been the loss of a piece of straw. I should have been disposed to reserve the point had I thought it doubtful; but my opinion is so clear that I must direct the plaintiff to be nonsuited.'"

"In *Waters v. Brogden*, 1 Young & Jervis's Reports.—It appeared that a person of the name of Sayer, who was farm bailiff to the defendant and bought and sold cattle for him, called at the banking house of the plaintiffs, who were then carrying on business as bankers at Caermarthen, on the 13th day of March, and requested them to discount for him a check, of which the following is a copy:—

'*Llanelly, 13th March, 1826.*

'Pay to Samuel Farr, or order, the sum of one hundred and fifty-six pounds.

'Messrs. Day & Haynes, Bankers, Llanelly.'

'JAMES BROGDEN.'

The plaintiffs discounted the check, but never presented it for payment. Sayer was not ordered by the defendant to get the check discounted, but did so at Farr's request, and paid the money over to him. The bank of Day and Haynes stopped payment on the fifth day after the check was discounted by the plaintiffs. Llanelly is about twelve miles from Caermarthen and four from Trimsaran, the country seat of the defendant. Trimsaran is not a village, it is merely the name of the house. The check in question was drawn at Trimsaran, and there given to Sayer to pay over to Farr, for cattle which the latter had sold to the defendant. The plaintiffs also produced in evidence a letter of the defendant denying his liability to pay the money sought to be recovered in this action, but offering to refer the matter in dispute to any two London bankers. On these facts the counsel for the defendant contended that the plaintiffs must be nonsuited, inasmuch as the liability of the defendant depended solely upon the check, upon which the plaintiffs could not recover, as they had been guilty of *laches* in not presenting it for payment in due time. To this it was answered that the check was a nullity, being unstamped, and not within the exemption in the Stamp Act, 55 Geo. III., c. 184, and that there was evidence enough to entitle the plaintiffs to recover independently of the check. The learned judge ruled both points in favour of the plaintiffs, and they obtained a verdict for £156, which the court above was moved to reverse.

Alexander, C. B. now delivered the judgment of the Court.—The first question which arises in this case is upon the effect of the check which was read in evidence. It has been argued that the check was void, and that the plaintiffs could not therefore be guilty of *laches* in not presenting it, so as to make it their own; I am of that opinion, but that question is not material in this case. (The learned Chief Baron here stated the facts of the case.) The 55 Geo. III., c. 184; which imposes a duty on bills of exchange, contains a clause of exemption, applicable to all drafts or orders for the payment of any sum of money to the bearer on demand, and drawn upon any banker or bankers or any person or persons acting as a banker, who shall reside or transact the business of a banker within ten miles of the place where such drafts or orders shall be issued, provided such place shall be specified in such drafts or orders, &c., which renders it necessary, in order to avoid the stamp duty which would otherwise attach, that the drafts should be issued within the limits prescribed by the act, and that the place where they are issued should be correctly stated, in order that it may appear from the instrument itself whether in fact it was issued within the limits prescribed. Now, it appears from the evidence in this case that the cheque was issued at Trimsaran, and dated at Llanelly, a distance of four miles from the former place; and as I cannot accede to the argument of there being no necessity to date it from a single house, I am of opinion that that circumstance renders it void, and that in consequence it was not admissible in evidence."

"In *Strickland v. Mansfield*, 15 Law Journal Reports (Queen's Bench), 226, the following cheque was put in evidence:—

'No.—

'Dorchester Old Bank, established 1786.

'Messrs. Williams, Cox, and Williams.

'By G. S. Strickland, Esq., or bearer, Eight Pounds, Nineteen Shillings, and Sevenpence.

'For self and Andrews,

'W. MANSFIELD.

'£8 19s. 7d.'

The words 'Dorchester Old Bank, established 1786,' were printed, and there was no stop or break after the word 'Dorchester.' It was objected, on behalf of the plaintiff, that the cheque did not fall within the exemption of the 9 Geo. IV., c. 49, s. 15, as the place at which it was drawn was not specified therein. The learned judge admitted the evidence, and the defendant had a verdict. Mr. Cockburn moved for a new trial, on the ground of the improper

reception of the cheque, and said, 'It is quite clear that Dorchester Old Bank is the description of the bank, and does not even purport to be the place where the cheque was drawn.'

Lord Denman, C. J., said "It does not appear that the plaintiff proved that in point of fact the cheque was not drawn at Dorchester. If it may have been drawn there, the objection is answered."

It may be observed, that it does not appear from the report whether the time when the above cheque was drawn was stated; but this may be an omission.

The remaining points relating to the form of cheques will be discussed in subsequent articles.

Legal Miscellany.

NOTE.—Under this head we shall insert brief reports of legal decisions affecting Bankers and Merchants, as they occur from time to time. We shall feel obliged by having our attention called to any cases which may come under the notice of our readers.

In the matter of **LESLEY ALEXANDER AND CO.** [*Court of Bankruptcy, Monday, 13th March, 1848.*]

This was a meeting for the last examination and the proof of debts.

The bankrupts were extensive merchants, carrying on business in Broad-street.

Mr. Cooke and Mr. Bagley appeared for several creditors, Mr. M'Leod for the assignees, and Mr. Lawrance for the bankrupts.

The balance-sheet, which extends from June 30, 1846, to Jan. 12, 1848, is as follows:—

<i>Dr.</i>			
To sundry creditors, viz., unsecured	£194,579	15	5
Creditors, partially secured	59,740	2	6
Creditors, fully secured	2,991	15	1
Liabilities on acceptances outstanding £253,320 15s. 11d., of which it is estimated there will be proved upon the estate	227,182	10	2
Liabilities on bills received	120,833	4	8
Profits for the year, from June 30, 1846, to July 1, 1847	38,914	9	5
Surplus of the private estate of Lesley Alexander to June, 1846	£93,509	1	1
Deficiency on the joint estate	21,613	12	0
	£644,241	17	3

Cr.

By sundry debtors, considered as good	£19,504	8	3
Doubtful debts £33,565 0s. 7d., estimated at	10,000	0	0
Bad debts	£62,263	2	0
By property taken, or to be taken by assignees	80,043	3	10
By property in the hands of creditors	31,925	7	2
By losses sustained between July 1, 1847, and January 12, 1848.	48,539	8	3
Losses by bad debts between July 1, 1847, and January, 12, 1848.	69,433	10	10
By losses on depreciation for the cost of stock remaining at the date of the fiat	25,453	17	5

By liabilities on acceptances	£218,754	11	8	
By bills receivable	107,561	17	9	
				326,316
The sum drawn out by the partners				33,025
				<u>£644,241</u>

His Honour then read the report of the official assignee (Mr. Follett) follows:—

“*In re* Lesley Alexander and William Bardgett, of Broad-street, merchants trading under the firm of Lesley Alexander, and Co.

“The fiat is dated January 12, 1848. The house suspended payments the 7th August, 1847, and on the 28th of that month a general meeting of creditors having been called, it was resolved to wind up the affairs under deed of inspection. Messrs. J. G. Hubbard, Mr. J. Pitman, and Mr. A. were appointed inspectors, and these gentlemen are the creditors’ assignees under the fiat.

“The proceedings of the proprietors appear to have been conducted with great regularity—distinct accounts of the receipts and expenses kept of assets invested from time to time in Exchequer bills, and on the fiat issued I consequently received from the banker upwards of £40,060 in bonds and securities.

“Up to the period of stoppage of the house, it does not appear that a profit and loss account had been taken since the year 1840, although balances had been made each year; and as the object of the inspectors in liquidation, they took notice of claims and assets alone.

“An account from the books has been subsequently made to the 1st of 1848, where the balance-sheet commences, showing the situation of the house. This presents a deficiency of £21,613 12s., with a marginal note that Mr. Alexander’s property, estimated at £93,509 1s. 1d., was liable to make it good. A profit and loss account has, however, been taken to the 1st of 1847, which shows a balance in favour of the house of £38,914 9s. 6d., thereby redeeming the deficiency of the former year. The balance-sheet presents—

Creditors	£190,388	1	
Ditto, partially secured	£59,740	2	6
Deduct securities	24,906	4	0
			34,833
Creditors fully secured £2,991 15s. 1d., the estimated value of the property being £7,019 3s. 2d., the difference £4,027 8s. 1d., being taken as an asset.			
Liabilities on acceptances by the firm	227,187	1	
Ditto, upon the drafts of the firm upon persons who have failed	120,833		
Total claims upon the estate	£573,188		
The assets disclosed are:—			
Good debts	£29,504	8	3
Property	80,043	3	10
Property surplus in the hands of secured creditors	4,027	8	1
			113,575
Deficiency			459,613
To which must be added net profits from July 1, 1846, to July 1, 1847			33,914
			<u>£498,527</u>

Which is thus explained—

Liabilities upon acceptances	£218,754	11	8
Liabilities upon bills drawn upon other parties	107,561	17	9
Losses between July 1, 1847, and January 12, 1848	47,048	7	2
Bad debts between July 1, 1847, and January 12, 1848	66,683	10	10
	£440,048	7	5
Brought forward	£440,048	7	5
Depreciations between the cost price and value of corn at the date of the fiat as estimated	25,453	17	5
Decrease account of Mr. Alexander to pay mortgage	5,000	0	0
Personal references since the 1st of July, 1846	2,159	15	11
Drawn out by Mr. Bardgett	0	0	0
Payment to creditors since 1st of June, 1846	2,000	0	0
Repairs of premises	619	6	9
Personal expenses since July 1, 1846	1,631	17	5
Deficiency, July 1, 1847	21,613	12	0
	£498,527	16	11

The losses on this estate involve so large an amount, that I have thought it right to investigate their character, and I find that they have arisen in a great measure as follows:—

“1. Upon goods shipped by the plaintiffs for parties who have since been unable to pay for them.

“2. On sales of produce, for which Alexander and Co. accepted bills at its then value, but the net proceeds fell far short of that sum.

“3. On acceptances in part payment of cargoes contracted for, but which contracts the foreign houses declined to complete.

“4. On grain shipped from London to foreign ports, from bad weather not arriving at the stipulated period, then thrown on the market, and sold at a ruinous loss, and, in some cases, not paying freight and charges.

“5. On cargoes shipped to out-ports by parties on whose account remittances were provided, but the consigners retained the proceeds.

“6. On the shipment to foreign ports, the proceeds of which were absorbed by the failures of the parties, and the holders of Alexander and Co.'s acceptances having proved, now seek to obtain the balances from the estate.

“In justice to the house, I beg to add that by far the greater proportion of the above-mentioned losses have arisen on account of correspondents, and also by the sudden and unforeseen depreciation in the corn trade, and they were thereby rendered unable to meet their engagements.

“JOHN FOLLETT, Official Assignee.

“Exhibited on the 13th day of March, 1848.

“EDMUND GOULBURN, Commissioner.”

Some proofs having been disposed of connected with grain transactions,

Mr. *Lawrance* took occasion to compliment Mr. Follett on the assiduity displayed by himself and all parties in his office in examining the accounts of this large estate, so that not the least delay was necessary in passing the bankrupts.

Mr. *Commissioner Goulburn* said this was only another instance of the punctual fulfilment of duty by Mr. Follett, and therefore what Mr. *Lawrance* had stated did not take him by surprise. Mr. Follett was distinguished for the manner in which he always performed his official duties.

Mr. *Campbell*, the registrar, stated that this was the day for an audit, and

also for the declaration of a dividend. Perhaps the official assignee would be good enough to say what was the amount of the assets in hand?

Mr. Follett.—About £62,000.

Mr. Commissioner Goulburn.—It will also be desirable to know the amount of the dividend.

Mr. Follett.—We have not yet been able accurately to calculate it, in consequence of the large amount of proofs received to-day. *The first dividend will be two-and-sixpence, or two shillings, in the pound, which we hope to be able to pay on Saturday.*

Commissioner.—What is the amount of proofs received against the estate?

Mr. Campbell (the registrar).—That cannot be at once stated. On the last occasion it reached £300,000. On the present I think it will come to about £150,000 or £200,000.

Commissioner.—Then we may say the proofs represent at least between £400,000 and £500,000. Here then is a case where, within two months from the date of the fiat, and on the day that the last examination of the bankrupts passed, that a dividend on such an enormous amount is made. These are the facts, which I think ought to be made known to the public.

The bankrupts then passed their last examination.

The 8th of April was fixed for the certificate meeting, when the bankrupts were highly complimented by the Commissioners for their straightforward conduct, and their certificates were immediately granted.

IN RE KNAPP.—ABINGDON BANK.

Court of Bankruptcy, London, 14th April, 1847.—To-day was appointed for the last examination of this bankrupt, who had been a banker at Abingdon.—Mr. Lawrence, who appeared for the bankrupt, said that, as Mr. Johnson, the official assignee, was of opinion that the balance sheet was not satisfactory, it would be useless to urge anything in support of it; but let it commence from whatever period it might, there must be a large deficiency. The banking accounts had been in a very bad state for years. In 1825 the bankrupt took to the business on the death of his father, and there was then a deficiency of £45,000. The assignees were of opinion that there had been no fraud or concealment of property, several thousands being in the bank when he left home, and he only took £50. He had not had any allowance, and not being able to employ an accountant he had not been able to make out a correct account, which was required with a view to ulterior proceedings against other persons.

The official assignee said there were losses on foreign stock amounting to £17,500, and the bankrupt had been in the habit of sending up one, two, and three thousand pounds to his broker to meet the losses—these amounts had not been posted up in the ledger, and the bankrupt could do that with the assistance of letters.

Mr. Lawrence hoped that some allowance would be made to enable the bankrupt to employ an accountant.

After some discussion it was agreed that the examination should be adjourned for six weeks, and an allowance of £5 should be made up to that time.

The following is a copy of the balance sheet presented to the meeting:—

Dr.				Cr.			
Creditors	..	£92,737	8 5	Good Debts	..	£14,519	15 4
Creditors holding security	24,000	0 0		Bad Debts	..	3,294	8 1
Notes in circulation	..	23,000	0 0	Property in creditors' hands	27,023	0 1	
Profits	..	4,614	7 7	Property held by assignees	8,309	1 1	
				Losses	..	19,500	0 0
				Deficiency in March, 1841	45,000	0 0	
				Present deficiency	..	8 11	5
<hr/> £144,351 16 0 <hr/>				<hr/> £144,351 16 0 <hr/>			

IN RE ADAMS AND WARREN.—SHREWSBURY BANK.

Court of Bankruptcy, Birmingham, April 20, 1848.—The bankrupts came up for their last examination. Mr. Adams underwent a long examination in reference to items in the balance-sheet, one of which was a sum of £1000 paid for repairs to his house at Brighton, after a storm in the year 1839. A further examination took place relative to the capital, as stated in the balance sheet, which the bankrupt professed to be possessed of in the year 1840, amounting to nearly £11,000.—Mr. J. Smith, who appeared for sundry creditors, contended that the money was in fact the property of Beck, Adams, and Company, although it appeared in the books at the time of the dissolution of that firm, as the private property of Mr. Adams, instead of being represented as the property of the above-named firm. It was at the close of the dissolution of the firm of Beck, Adams, and Company that Mr. Warren joined.—Mr. Adams was then subjected to a severe examination as to his reason for having that account placed in his own name instead of the names of himself and partners; and in reply stated that it was done in order to show that he possessed more capital than he really had at the time. He further added that Mr. Warren was aware that that sum, though placed to the credit of him (Mr. Adams), was not his own property.—Mr. Hodgson, on the part of Mr. Warren, denied that his client knew anything of the sort; and Mr. Warren was about to be examined upon that point, when, owing to the lateness of the hour, the Court adjourned the case till Wednesday next.—There was no complaint made by the assignees against Mr. Warren's accounts; and there being consequently no opposition offered to him, he could have at once passed his examination, but he would not consent to join in the balance-sheet as presented by Mr. Adams, who had the entire management of the bank at Shrewsbury, and his examination was also further adjourned.—Mr. Keogh, of Shrewsbury, and Messrs. Motteram and Knight, attended for the Assignees, Mr. T. S. James for Mr. Adams, and Mr. Troughton, Mr. Sanders, and Mr. Bird, of Drayton, for various creditors.—Mr. Kettle, accountant, for the bankrupts; Mr. Fry, of London, for the Assignees.

IN RE BRODIE & CO., BANKRUPTS.

For the last three months reports have been circulated as to the probable dividend on this estate; but that may be accounted for from the difficulty of getting at the simple facts, the meeting generally being confined to those only who were either debtors or creditors of the firm, and those only admitted in turn, and required to leave after they have finished their business with the chairman, solicitors, and trade assignees under the Fiat;—"reporters excluded"—a very frequent practice in this city. The following facts we believe may be depended on, and will interest the creditors, who began to fear that there would be but very trifling assets to divide. The official-assignee passed his accounts up to the 1st ultimo in the Court of Bankruptcy, before Mr. Commissioner Evans, when it was ordered that the first dividend on the joint-estate of William Bird Brodie and Charles B. Brodie, as late bankers in the City of Salisbury, should be computed at the rate of *four shillings in the pound*. The number of creditors who will be thus benefited amounts to 1,257; to all of whom (as soon as the warrants can be prepared for each) such an amount will be payable; it is also further stated, that either the official-assignee or one deputed by him, will attend at Salisbury for the purpose of paying dividends, which will be a great convenience to many creditors. Further assets are yet to be received, to a large amount, viz., from the sale of valuable freehold and leasehold property in Salisbury, Fisherton Anger, West Harnham, and Winterslow, which will take place in a few days, and is expected to realize some thousands of pounds; the sale of the profitable weekly paper, called the *Salisbury and Winchester Journal*, said to realize a clear profit of £2,500 per annum, the profitable trade of a bookseller, printer, and stationer, on the

Canal; the freehold property where such business is conducted, the amounts due from tradesmen in this city, who have had time given them to pay the same in, &c. ; when all these are received it is expected the estate will pay, in the whole, at least 10s. in the pound.

IN RE STURT.

Court of Bankruptcy, London.—This bankrupt was described as late St. Alban's, banker, and the 14th April ult. was appointed for his last examination. The choice of assignees had not taken place in consequence of the debt except one being disputed on technical grounds. One of the proofs tendered by Mr. Matthew Sturt, for a sum of £600; but it was urged the claim was barred by the statute of limitations.

The claimant said that he had received letters from his brother, offering to assure his life for £1,000 as a security.

His Honour (Mr. Commissioner Shepherd) said that a very slight admission would, in his opinion, support the claim, and that the offer of security was tantamount to a promise to pay.

In consequence of there being no assignees, and scarcely sufficient assets to defray the expenses, the fiat was superseded. The banking accounts are not affected by these proceedings.

BILL SWINDLING.

Court of Eschequer, Monday, 17th April.—*Potes v. Glossop.*—This was an action of assumpsit on two bills of exchange, for £250 each, at four months drawn respectively on the 28th and 29th of August, 1846, by a person named Gaderer, on the defendant, a clergyman, and indorsed to the plaintiff. There were forty pleas to the declaration, alleging that the defendant had been induced by fraud to accept the bills, &c. The case was tried before the Lord Chief Baron, at the sittings after Trinity Term, when a verdict was found for the plaintiff. A motion for a new trial, on the ground of the improper rejection of evidence was made in Michaelmas Term. Cause was adjourned against it to-day. It appeared that the plaintiff's case at the trial was simply proof of the defendant's acceptance, and the indorsement by Gaderer to the plaintiff. The defendant's counsel opined that he had been fraudulently cheated out of the acceptances by Gaderer, who pretended that he would return the amount of one of the bills from a bill discounter, for him, and said the other bill was useless, as being on an improper stamp, and promised to return it at once, but did not do so; and that in short the defendant had been tricked by a regular advertising sharper, and that the plaintiff must have been aware that Gaderer had not come honestly by the bills—and proposed in order to establish the fact of the fraud practised by Gaderer, to put in evidence the letters which passed between that worthy and the defendant with respect to the bills in question. The Lord Chief Baron would not admit the letters in evidence, as being *res inter alios acta*, by which the plaintiff could not be affected, she not being a party to them.

The correctness of this ruling was supported to-day by Mr. M. Chamberlain, Mr. Miller, and Mr. G. Pollock, in showing cause against the rule; and controverted by Mr. Cockburn and Mr. Humfrey, with whom was Sir J. Leakey, and who were stopped by the court.

Mr. Baron Parke said, that though the court would not lay down a general rule on the subject under discussion, he thought that the evidence tendered ought to have been received. The question was one of some difficulty, and if the plaintiff thought the course now directed to be pursued on the next trial was erroneous, he could at that trial tender a bill of exceptions, and carry the point to a court of error.

Mr. Baron Rolfe and Mr. Baron Platt concurred, and a rule absolute for a new trial was granted.

Communications

To the Editor of the *Bankers' Magazine*.

METHOD OF DETECTING FRAUDS IN BOOK-KEEPING.

SIR,—In your number for February there appears a letter from a Correspondent under the title of “Frauds with Bankers’ books—the day-book,” and signed “Bank Accountant.”

In the supposititious illustrations he has furnished, it appears that a fraudulent *double* entry could escape unnoticed, or rather that the simple balancing of the ledger as a whole would not be the means of detecting it. No doubt your correspondent is quite correct in what he says.

In my experience of books, however, I have found that there is a great protection against fraudulent entries in a ledger—particularly a merchant’s ledger—simply by testing the *Dr.* columns in the ledger as a whole with the total summation of the *Dr.* column of the journal or day-book (which is the same thing, the one being a classification of the other) and the *Cr.* side in the same way.

Now although this test by totals will not show whether each side of each account is individually correct; it will prove whether or not the sides *as a whole* are correct.

The practice which some book-keepers have followed with success over a course of years, of carrying sums received to the credit of accounts in the ledger *directly* and without passing them through the cash-book, could not exist where the journal test is regularly applied. The *double* entry system of fraud explained by your correspondent would not of course be detected by a comparison of totals as above described; but it is difficult to see what the practical object of such an entry, designedly made, could be, or how it could long escape detection, where the ledger accounts are reviewed *seriatim* from time to time, as they ought to be.

Will “Bank Accountant” inform me whether a clerk in a bank, posting £100 *short* to one account, and equalizing its effect by carrying £100 *over* to another account, could realize £100 by this manœuvre?

Merchants and Bankers may easily satisfy themselves by a superficial examination that the journal or day-book is correct; but the difficulty is for them to be satisfied that each entry therein has reached its proper destination in the ledger.

Although the journal test here spoken of does not guarantee that this is the case *individually*, it guarantees that all the entries in the journal are in the ledger, and what is of equal importance, that no entries are in the ledger which have not passed through the journal. And it may be of importance to some of your readers to know, that in the event of a difference occurring to prevent a balance, this test will enable it to be fixed whether the cause of difference exists in the *Dr.* or *Cr.* side of the ledger, or on both; and so narrow the field of search for its discovery. Further; the test may be applied quarterly, monthly, or oftener, without the necessity of squaring off the accounts as at an annual balance. I am, Sir, your most obedient servant,

Edinburgh Feb. 16th, 1848.

J. F. (*Accountant*.)

LIABILITY FOR AMOUNT OF CHEQUE HELD OVER AT REQUEST OF PAYEE.

SIR,—A cheque is presented by P, drawn by D, on a bank 50 miles distant. P requests it may be cashed, and held for two days before presentation.

On presentation it is dishonored; *P* has become insolvent in the mean time, but the drawer *D* is a good mark, but refuses to pay, on the ground of its not having been presented in course.

Is this a valid ground of defence?

O. T.

[We think the drawer is liable, unless he can show that he has sustained loss by the delay. The point is discussed, and the authorities are collected in the *Bankers' Magazine*, Vol. V., p. 36.—Ed. B.M.]

DEPOSIT RECEIPTS.—PROPOSED ALTERATION IN FORM, INTIMATING THE INTEREST ALLOWED.

SIR,—While the banking operations of this country, with all their ramifications, are more particularly under the notice of our legislature, I would venture to call the attention of the whole body of bankers—whether private or joint-stock—to the all-important subject of deposit receipts.

In times of pressure we are induced from circumstances to meditate the adoption of plans, which, in periods of commercial tranquillity, we are not made to feel imperative or necessary; and as the late panic has forced the consideration upon all prudent bankers, I would suggest the propriety of petitioning parliament to allow bankers to issue deposit receipts, with graduated scales of notices for repayment.

This plan being allowed by law, would give bankers the benefit of anticipating with accuracy the amount of their withdrawals under this particular head, and prevent that sudden demand which occurs in times of distrust. Besides, a banker ought to have some guarantee that the confidence reposed in him at the time a deposit is made should remain undisturbed till the repayment of the same; the transaction being entirely voluntary on the part of the depositor.

I would submit the following as a guide:—

Periods of Notice for Repayment of Bankers' Deposit Receipts.

For £20 to £50	3 days' notice.
„ 50 to 100	7 „
„ 100 to 500	10 „
„ 500 to 1,000	14 „
„ 1,000 to 5,000	21 „
„ 5,000 and upwards	according to agreement.

You will perceive from the above that I commence with £20—a small amount; but as it is well known that the small depositors are generally the most suspicious and clamorous in such times, I would recommend, to carry out the system fully, that great attention should be paid to the smaller sums.

I am aware that this plan is adopted to a certain extent, in some localities, by an arrangement either implied or understood; but were it to become a legal act, I am convinced it would be generally adopted, and attended with very beneficial results.

As I have not seen this subject at all mooted in your valuable periodical, perhaps the above remarks may be allowed a space in your next number.

I am, Sir, yours, &c.,

“OBSERVER.”

SAVINGS' BANKS.—LIABILITY FOR DEFICIENCY IN VALUE OF THE ASSETS.

SIR,—Will you be good enough to inform me by whom the deficiency in

the value of assets, held for the trustees of Savings' Banks, would have to be sustained, supposing a general withdrawal of deposits should take place.

It is a matter of some interest to the depositors, and to

Your most obedient servant,

AN ACTUARY.

[Our correspondent will find the subject of his inquiry referred to in a separate article in the present Number. We regret that through an oversight his letter has been held over some time.—Ed. B. M.]

Reports of Joint Stock Banks.

LIVERPOOL BANKING COMPANY.

On Tuesday, 7th March, 1848, the proprietors of the Liverpool Banking Company held their annual general meeting at the Clarendon-rooms, South John-street, Mr George Ramsden in the chair.

Mr. Wilson, the manager, read the report, as follows:—

"Since our meeting on the 30th November last, failures, not then contemplated, have occurred, thereby throwing upon the bank responsibility on bills at that time considered good, which cause has rendered it necessary to increase our estimate of bad debts. It has appeared to the directors their first duty to bring the liabilities of the bank into a narrow compass. With that view they have directed their endeavours to realize the assets of the bank, as far as practicable under the prevailing disadvantages of the times, which are matters of notoriety. In January the directors considered that they would be able to pay all the liabilities of the bank, in three instalments of 6s. 8d. per pound each, with 5 per cent. interest; say, 10th February (last), first: 1st August, second; 1st December, third; an arrangement which has proved satisfactory to the parties concerned, they, therefore, are carrying it into effect. In order to take a correct view of the position of the bank, down to a date as near the present meeting as possible, a statement has been made up to the 12th February, which is now presented to the proprietors, and which has been made after a liberal allowance for all anticipated deficiencies. On account of the call, which, exclusive of insolvent parties, at £2 per share, amounts to £21,350, there had been received, on the 12th February, £16,287, and this day the sum received on this account is £19,307. The measures which the directors have adopted under the trying circumstances in which they were placed, are such as, in their best judgment, are most likely to conduce to the true interests of the proprietors at large, and they trust they will be so considered by them.

STATEMENT OF ASSETS AND LIABILITIES, 12th February, 1848.

				ASSETS.					
				£	s.	d.	£	s.	d.
Cash on hand	..	..	..				21,270	2	4
Bills exchange ditto	..	..	..	14,352	6	5			
Deduct supposed bad debts	..	..	..	873	4	1			
							13,659	2	4
Amount owing to the bank from current									
accounts	..	..	..	121,160	17	6			
Deduct for estimated bad debts	..	..	..	11,165	14	1			
							109,995	3	5
Bills in circulation and on hand 10th									
November, as then stated	..	..	..	321,275	13	3			

Of these have been paid	£201,905	14	2		
Part due and unpaid	117,265	4	5		
Not yet due ..	2,104	14	8		
				321,275	13 3
Bills on hand past due..	..	..		61,737	5 9
Estimated to produce ..	..	..			48,100 19 7
Bank premises, including warehouse, Benn's gardens					6,422 8 1
Stamps on hand ..	..	..			92 15 4
LIABILITIES.				£199,540	11 1
Amount owing to current accounts ..	£40,166	15	11		
Deposit.. ..	28,382	12	7		
				£68,549	8 6
Promissory notes given for instalments				519	10 3
Liabilities on bills of Exchange in the hands of other parties ..	£73,897	10	6		
Estimated to produce	49,556	13	3		
Estimated loss ..	£24,340	17	3		
Upon which the bank has paid towards instalment	3,789	2	4		
				20,551	14 11
					89,620 13 8
					£109,919 11 5

On the motion of Mr. Ward it was resolved that two auditors be appointed to examine and report upon the state of the affairs of the company, and that the consideration of the report be postponed until the reception of the auditors' report. Upon the motion of Mr. Bright, Mr. Andrew Taylor was re-elected a director, and the election of additional directors was postponed until the adjourned meeting in April. It was stated, in reply to questions, that the current expenses of the bank were £3,300 a-year; that they are now only £2,500 a-year; and that the auditors would probably consider the practicability of making further reductions. The managing directors, who had £200 a-year each, have declined to receive any salary since the bank got into difficulties. The meeting stands adjourned till the 3rd April next.

NORTHUMBERLAND AND DURHAM DISTRICT BANK.

At the Twelfth General Meeting, held February 14th, 1848, the Directors presented the following Report.—

At the close of a year of an eventful character as regards commercial affairs, the directors are desirous of laying before the proprietors a statement, more full than has hitherto been embodied in the annual report.

The weight and importance of the task ordinarily devolving upon the directors, has been much increased by the most unexampled monetary pressure of the past year, aggravated by the untoward events which have occurred in this particular locality. It has been their endeavour under these circumstances to support, to the utmost of their ability, the commercial requirements of these important manufacturing and mercantile counties, and they hope their exertions have not been altogether unsuccessful.

It will not have been expected that in a year like the past, the bank should have avoided losses to an extent larger than in ordinary years. At this early period it is impossible, with accuracy, to ascertain the value of securities held,

and the precise result of the accounts now referred to, but the directors recommend that provision be at once made to meet the contingency, and that in the present instance the whole balance of the year's profits after payment of the dividends, should be applied to the account of bad and doubtful debts, and that interest only should be added to the guarantee fund.

The profits of the past year, after deducting the expense of the establishment and income tax, amount to £54,942 19s. 3d., and the directors recommend that a dividend be declared at the rate of 8 per cent. per annum for the half-year to 31st December last, clear of income tax, after which there will remain the sum of £26,716 19s. 3d. to be applied as above suggested.

It will be obvious to the proprietors, that the very large additional business which has been acquired, particularly since the material diminution in the number of banks in this and the neighbouring towns, has rendered the increase of the capital of the company a matter of essential importance to the efficient conduct and prudent management of its affairs.

Under the authority of the proprietors shares to the extent of 60,000 were created at the close of last year. The directors regret, that owing, as they believe, to the severe commercial depression which then, and has since, prevailed, the applications for the new shares have not as yet been numerous; of the amount shown in the annexed statement, a large proportion arises from beneficial arrangements, provisionally made by the directors for the disposal of new shares, before the introduction but in contemplation of the measure. The premiums arising from these have been applied towards the liquidation of the still existing balance on account of the purchase money for the business, referred to in last year's report, then amounting to £44,174 15s. 7d. and now reduced to £33,189 19s. 8d.

The directors recommend that the time within which the Proprietors may exercise the option of taking new shares at par, be extended to the 31st of March next, and they would add a confident expectation that the proprietors will second their efforts to render the capital of the bank commensurate with the magnitude of its operations.

More than an ordinary degree of public attention having been lately directed to the system of management of joint-stock banks, it may be permitted to the directors to remind the proprietors, that at the time of the junction of this establishment with that of Messrs. Ridley and Co., the directors made arrangements for enlarging the basis of management, so as to ensure a system of united responsibility and of combined judgment; and on the 7th of May, 1840, it was resolved by the board that the affairs of the bank should be placed under the charge of not less than two, nor more than four, acting directors, all possessed of equal authority, and each responsible in the same degree, and exercising the powers which had before been vested in the general manager. They may be allowed also to observe, that the principle which is embodied in the deed of settlement, restricting the employment of the capital of the bank to ordinary banking transactions, and forbidding its application to foreign investments, mining concerns, or other adventures, has been steadily adhered to since its commencement.

The number of proprietors is 584.

Northumberland and Durham District Bank, 31st December, 1847.

	£	s.	d.
Cash, bills, notes, debit accounts, and other securities ..	1,797,068	8	4
Dividend at the rate of 10 per cent. per annum, to the 30th June, 1847 on £300,000	15,000	0	0
Balance in respect of the purchase of the business	33,189	19	8
Bank premises at Newcastle and branches	20,431	10	8
	<u>£1,865,689</u>	<u>18</u>	<u>8</u>

Proprietors' capital	£330,650	0	0
Deposit and credit balances	1,356,032	16	3
Guarantee fund	124,064	3	2
Profits, 1847	54,942	19	3
	<u>£1,865,689</u>	<u>18</u>	<u>8</u>

Profit and Loss, 31st December, 1847.

Dividend paid for half year to 30th June, 1847, at rate of 10 per cent. on £300,000	15,000	0	0
Dividend now declared for the half year to 31st December 1847, at the rate of 8 per cent. per annum on £330,650	13,226	0	0
Expenses, income tax, &c.	14,724	1	2
Balance to account of bad and doubtful debts	26,716	19	3
Guarantee fund carried forward	124,064	3	2
	<u>£193,731</u>	<u>3</u>	<u>7</u>
Guarantee fund, 31st December, 1847	120,424	7	2
Interest on ditto	8,639	16	0
Gross profits for 1847	69,667	0	5
	<u>£193,731</u>	<u>3</u>	<u>7</u>
Guarantee fund brought down	£124,064	3	2

BANK OF THE WEST INDIES.

A meeting of the depositors and other claimants upon the West India Bank was held at Barbadoes on the 18th January last, at which the Report of the "Joint Committee of the Directors and extraordinary Directors of the Establishment, appointed to submit a statement of the affairs of the Institution to the Depositors and others resident in the Island of Barbadoes, with a view to arrive at an adjustment of its affairs, with due consideration to the interests of all concerned," was submitted. It contains the following statement of the liabilities and assets of the bank :—

LIABILITIES.				Dollars.	c.
Due to the public on current accounts .. .. .	..	..	..	485,236	50
" on deposit receipts .. .. .	..	..	..	768,268	56
" on promissory notes .. .. .	..	..	..	75,663	63
" on bills unaccounted for .. .. .	..	..	..	260	92
London and agency drafts current .. .. .	..	..	..	1,369,730	37
Union Bank of London and St. Thomas Bank, and other agents unpaid, sundries and dividends .. .. .	..	..	..	184,533	39
Circulation .. .. .	..	..	..	551,482	00
Total liabilities .. .. .	..	..	..	<u>Ds. 3,435,183</u>	<u>37</u>
ASSETS.					
Local bills discounted .. .. .	..	..	..	1,018,204	57
Cash accounts .. .. .	..	..	..	764,403	34
Protested bills—bills and accounts in suit, notes and specie under transit, and other securities not comprised under any of the foregoing heads .. .. .	..	..	..	402,041	46
London and agency bills current .. .. .	..	..	..	1,376,062	45

							<i>Dollars.</i>	<i>c.</i>
Cash in agents' hands	..	..	..	..	..	..	19,339	22
Cash—specie	..	..	..	..	..	<i>Ds.</i> 114,830	39	
Notes in reserve	..	..	..	..	..	294,480	00	
							409,310	39
							3,989,361	43
Deduct—Estimated bad debts	..	..	..	..	..	254,587	07	
Protested bills, bad, &c.	..	..	..	..	..	170,000	00	
							424,587	67
Total assets	..	..	..	..	..	..	3,564,774	36
Deduct liabilities	..	..	..	..	..	..	3,435,183	37
Surplus assets	..	..	..	..	..	<i>Ds.</i> 129,590	99	

The report observes, that according to the above statement there will be a surplus of assets, after deducting an ample estimated amount for bad debts and losses on protested bills, and that although the stock-holders must sustain severe pecuniary loss, yet under all circumstances it would be satisfactory to them to know that every creditor of the bank would be ultimately paid in full. The first class of claimants which, in the opinion of the committee, called for attention, was the holders of drafts issued either in London or agencies. The most strenuous exertions they recommended should be made to satisfy the claims of this class, in all cases where a heavy draw upon the assets of the bank might be saved by waiving damages. The committee recommend that to all other claimants be paid an equal allowance of interest from the 1st January last, payable quarterly, at the rate of four per cent. per annum, as it was evident that the bank was not in a position to at once pay all its liabilities. It was thought that the assets might be collected as follows:—On 1st August, 1848, 25 per cent.; on 1st November, 1848, 10 per cent.; on 1st July, 1849, 25 per cent.; on 1st July, 1850, 25 per cent.; on 1st December, 1850, 15 per cent.; and which, if correctly estimated, would enable them to pay all claims by the 1st December, 1850.

A meeting of the depositors was held at Barbadoes on the 3rd February, at which resolutions were passed for the purpose of adopting measures to prevent any unnecessary loss to the shareholders, or other parties interested, during the winding-up of the affairs of the establishment. The depositors agreed to subscribe a sum of 10 cents. on every 100 dollars held by them as deposits in the bank, as a fund for carrying out such object.

THE NORTH BRITISH BANK, GLASGOW.

It appears from the report presented at the recent annual meeting of this bank, that it has suffered severely from the commercial crisis of the past year, the loss being stated at £92,500; this was without deducting the profits during the same period, which amounted to £47,331, and which would leave the actual deficiency, £45,169. The following is an extract from the report presented:—

“The directors will now submit to the proprietors a report of the result of their proceedings for the year ending the 31st of December last; and, in doing so, it would be easy for them to render a very plausible and gratifying statement by spreading the losses over an extended period, reducing a portion each year, as is sometimes done; but they will not do so, nor attempt to palliate or disguise their disasters in any way, knowing that the best mode to meet and remedy calamities is to face them fearlessly at once.

Capital, 31st of December, 1847	£233,270	0	0
Off estimated losses	£92,500	0	0
Less profits	47,330	11	2
Leaving a loss on capital of	45,169	8	10
Reducing it to	£188,100	11	2

Which makes the present value of each share £8 1s. 3d.

"The estimated losses arise from overdue commercial bills, and more especially from the appalling fall in the value of securities. In making the estimates, the securities have been taken at the current market rates of the 31st of December last. The sum set aside to cover the loss on overdue commercial bills is considerably more than the amount calculated by neutral parties acquainted with their value, so that should a season of general and gradual improvement in mercantile affairs succeed the depression and derangements of the past year, the ultimate and actual loss may be materially less than the estimated one; and as the current liabilities of the bank, subject to risk, are now reduced to so narrow a compass, no additional loss of any moment can occur. The business of the bank has already been curtailed and concentrated. The aim in future will be undoubted securities with moderate returns, as the surest way to ultimate success.

"Under present circumstances of course no dividend can be declared this year, which the directors deeply regret."

WEST OF ENGLAND AND SOUTH WALES DISTRICT BANK.

At the thirteenth annual general meeting, held at Bristol, on Friday, the 21st January, 1848, the following report was read:—

The directors have the satisfaction of informing you that the business of the bank for the past year has been profitably conducted.

Since the last annual meeting a dividend has been paid for the half-year ending the 30th June, at the rate of £6 per cent. per annum, free of Income Tax; and your directors have now the satisfaction of declaring a dividend for the half-year ending 31st December at the rate of £7 per cent. per annum, also free of Income Tax.

After the payment of these dividends, and the charges of management, and after making provision for bad and doubtful debts, and the usual allowance in reduction of the cost of bank premises and fittings, and payment of the Income Tax for the year, there remains the sum of £4,460 18s. 3d. to be carried to the credit of the reserve fund. The statement of the annual account is as follows:—

The amount of undivided profits, standing at the credit of	£	s.	d.
reserved fund, on the 31st December, 1846, per last annual report	27,003	2	7
Net profit of the year ending 31st December, 1847, after deducting the charge of management, and provision for bad and doubtful debts; and the usual allowance in the reduction of the cost of bank premises and fittings; and in payment of the Income Tax	£21,834	12	0
Half-yearly dividend, at the rate of 6 per cent. per annum, to 30th June, 1847, £8,018 12s. 6d.; half-yearly dividend, at the rate of 7 per cent. per annum, to 31st December, 1847, £9,355 1s. 3d.	17,373	13	9
	4,460	18	3
Leaving at the credit of reserve fund	£31,464	0	10

BRITISH COLONIAL BANK AND LOAN COMPANY.

At the Annual Meeting held at the Company's offices, London, on the 8th March last, a dividend at the rate of 2½ per cent. was declared. According to the report of the directors, it appears that "the prospects of improvement" which they held out in their last communication with the shareholders "have been fully realized." All the remaining liabilities of the company are in course of liquidation. Since the last annual meeting a further reduction has been made to the extent of £1,700, and since the closing of the last year's account a further reduction has been effected of £1,800, making a total of £3,500 paid off, leaving the sum of £5,100 only, due by the company. With reference to a final liquidation by the establishment, the chairman again repeated his impression that eventually the shareholders would recover their capital with but very little loss, but it was impossible to name any specific date for the accomplishment of this result. They were progressively realizing their property, and would continue to do so at all times when it could be effected to the advantage of the shareholders.

BRITISH GUIANA BANK.

A meeting of the shareholders was held on the 31st of January. The directors in their report allude to the depressed state of trade, and the serious injury sustained by the agricultural interest from the extreme low prices ranging in the home markets. Under such circumstances, profits were of secondary consideration compared with the credit of the bank. During the late panic and run upon its resources, it had throughout been able to meet the demand upon it by the specie in its coffers, &c. The declaration of a dividend at the rate of four per cent. per annum was finally declared for the half-year. The following statement of the liabilities and assets of the bank, on the 31st January, 1848, will be of interest to all connected with the West India Colonies, British Guiana in particular:—

	<i>Dollars. c.</i>
Circulation.....	135,475 0
Deposits for specific periods by public department and by private parties	264,736 5
Deposits on drawing accounts by public department	<i>Ds.</i> 117,024 80
Ditto by private parties.....	107,460 72
	<u>224,485 52</u>
Total Liabilities.....	<i>Ds.</i> 624,696 57
Public securities.....	282,300 0
Cash in hands of agents	172,613 15
Specie in the bank.....	259,167 71
Total Assets	<i>Ds.</i> 714,080 86

The profits during the half-year had been dollars 33,496 50c., which with dollars 90,569 22c., the amount of surplus and contingency fund, gave a balance of dollars 124,065 72c. in favour of the bank.

NATIONAL BANK OF VIENNA.

In order to calm any uneasiness that may be felt, the directors have considered it advisable to publish the following statement of the affairs of the establishment.

ACTIF. (<i>Assets.</i>)						flor.	kr.
Cash..	..	..	..	..	..	66,058,351	8½
Bills discounted at from 5 to 90 days	..	..	..	..	..	86,295,502	54
Securities payable in 90 days	..	..	..	..	..	12,602,500	0
Public mortgage debts	..	..	..	..	..	81,837,264	23½
Loan guaranteed by Hungary	..	..	..	..	..	1,081,809	45
						246,425,431	11½
PASSIF. (<i>Liabilities.</i>)							
Bills (Notes) in circulation	..	..	..	..	..	214,146,440	0
Accounts current	..	..	..	..	..	1,906,391	11½
Bank shares (50,621), at the original price of 600fl. per share	..	..	..	..	..	30,372,600	0
						246,425,431	11½

THE AGRA BANK.

Abstract of profit and loss from 1st July to 31st December, 1847.

To establishment expenses at Agra, Calcutta, Madras, Bombay, and Mirzapore						Rs.	a.	p.
..	..	..	..	..	..	67,857	15	6
„ Charges general at ditto	..	..	..	..	..	17,922	15	6
„ Postage account at ditto	..	..	..	..	..	1,612	8	2
„ Interest on 4 per cent. dep.	..	..	1,803	13	2			
„ Ditto 5 per cent. do.	..	..	18,022	7	1			
„ Ditto 6 per cent. do.	..	..	34,030	5	4			
						53,856	9	7
Divisional balance						1,41,250	0	9
						4,52,369	6	8
Total Co.'s Rupees						5,93,619	7	5
By head office (including reserve profit and loss of 30th June, 1847)						Rs.	c.	
..	..	..	..	..	..	2,44,153	13	6
„ Calcutta exchange account	..	..	..	..	..	1,47,108	14	8
„ Madras exchange account	..	..	..	..	..	89,720	15	10
„ Bombay exchange account	..	..	..	..	..	1,10,972	15	2
„ Mirzapore exchange account	..	..	..	..	..	1,662	12	3
Total Co.'s Rupees						5,93,619	7	5

Notes of the Month and Intelligence.

THE INTENDED CLOSING OF THE CITY BANKING HOUSES for "counter business," at four o'clock from the 1st May, will not, it appears, be seconded by the West-end bankers, one or two of whom having declined to close at four o'clock, the rest are obliged to follow the same course. This, however, will not affect the city banks, which after the date mentioned will not pay cheques after the hour stated.

NUMBER AND RESIDENCES OF THE PARTNERS OF THE JOINT STOCK BANKS IN LONDON.—The following is an analysis of the lists of shareholders in the several Joint Stock Banks of London, in January, 1848, the returns published in the '*London Gazette*':—

Description of Shareholders.	London and Westminster Bank.	London Joint Stock Bank.	Union Bank of London.	Commercial Bank of London.	London and County Bank.	Total.
Partners resident in London and within 15 miles	707	627	392	112	118	1956
Partners resident in other parts of England	360	174	97	55	253	939
Partners resident in Scotland	50	19	88	7	1	165
Partners resident in Ireland	12	..	2	..	..	14
Partners resident Abroad	22	9	6	10	..	47
Total	1151	829	585	184	372	3121

THE ISLE OF MAN COMMERCIAL BANK, which recently suspended payments, had a general meeting of the shareholders on the 5th inst., when the directors stated that the loss to the shareholders would be about 10s. per share, and that the business of the bank had been agreed to be taken up by the City of Glasgow Bank. It was also stated that Mr. Dickie, the late manager, resigned on the ground of ill health, and that his office would be supplied for the present by Mr. John S. Jackson, formerly manager of the Manchester and Liverpool District Bank. The amalgamation of the Bank with the City of Glasgow Bank ensures the due payment of all liabilities, and is regarded with satisfaction by the creditors and shareholders.

CASHIERS OF THE BANK OF ENGLAND.—The following is a list of the persons who are now authorised to sign Bank of England Notes, viz:—Matthew Marshall, Joseph Ravenscroft Elsey, Thomas Bros, James Ward, John Butler, Nathaniel Stock, James Vautin, John Vanderpant, William Popham Gattie, William Paskin, Zechariah Uwins, John Williams, John Hawkes, Thomas Roberts, John Luson, Henry Bock, Samuel Parish, Charles Thomas Whitmell, John Conder, Frank Twiss, John Tilbury, Joseph Bennett, Josiah Field, Thomas Slater, William Richter, John Wood Deane, Henry Hogben, John Cann, John Bradshaw, Samuel Dennis, James

John Knight, *Secretary*.

SELECTION OF BANK DIRECTORS.—The election which took place on the 5th inst. excited more than usual interest in consequence of the nomination of new candidates referred to in our last. The "House List" proposed by the court was carried without opposition, as follows:—James Morris, Esq., Governor; Henry Prescott, Esq., deputy-governor. Directors, Thomas Baring, Henry Wollaston Blake, Edward Henry Chapman, William Cotton, John Henry Hanson, John Benjamin Heath, Kirkman Daniel Hodgson, Henry Cecil Holland, John Gellibrand Hubbard, Thomas Newman Hunt, Charles Derrick Huth, Alfred Latham, George Lyall, junr., Thomas Masterman,

Humphrey St. John Mildmay, George Warde Norman, John Horaley Palmer, James Pattison, Sir John Henry Pelly, Bart., Thomas Charles Smith, William Thompson, Alderman, Thomas Matthias Weguelin, Francis Wilson, Esq.

THE DUTCH MINT have published a notice of the number and amount of coins struck off for the account of the state during the course of 1847, according to the law for calling in the old coins and issuing a new coinage. The descriptions of coins struck off are as follow:—

	Florins.
9,387,175 rix-dollars, or pieces of 2½ florins, amount	23,467,937
8,385,519 florin pieces	8,385,519
1,100,882 half florins	550,441
2,001,000 half cents	10,005

Total florins .. 32,413,902

On and after the 12th of March, the old coins were to cease from circulation, and will no longer be taken at the public offices, neither can any one be bound to accept them in payments.

NORTH OF ENGLAND JOINT STOCK BANK.—BANKRUPT SHAREHOLDERS.—The *London Gazette* of the 15th February contains the names of the following shareholders of this bank described as *bankers*, viz.:—"Mary Emma Edwards, Ellen Edwards, and Eliza Anne Edwards, all of Bristol, bankers." Meetings, 29th February and 28th March, at the Court of Bankruptcy, Bristol. Attorney, Mr. Smith, Bristol.

RICHARD PORRITT, OF HUDDERSFIELD, described as a *Banker*, is declared bankrupt in the *London Gazette* of 7th January. Solicitors, Messrs. Williamson and Co., Great James-street, Bedford-row; and Messrs. Bond and Barwick, Leeds; official assignee, Mr. Hope, Leeds.

WM. PAIN BEECHAM of Hawkhurst, Kent, appears in the *Gazette* of the 18th February as a bankrupt. He is described as a *banker*, being a money scrivener. The meetings appointed were for the 2nd and 28th March. Attorneys, Messrs. Palmer & Co., Bedford Row.

PROVIDENT CLERKS' ASSOCIATION.—At a meeting of the members and friends of this association, held at Bristol on the 16th March ultimo., for the purpose of making known its objects and advantages, Dr. Mullinder, the secretary, in the course of an interesting speech, gave a favourable account of the present state and future prospects of the association. The association had put by £10,800, and had an income of £8,000 a-year; and the benevolent department had £10,800 invested in the 3 per cents. At present three widows of clerks were permanent annuitants at £15, and two aged clerks at £25; and it was intended to add three more—one clerk and two widows, in May next, to the list. The association had advanced on loan, up to 1847, in sums not exceeding £25, as much as £3,372, and out of the whole of that had not lost £25. In consequence of the failures last year, three or four applications for loans were received every day, and twenty more had been recently granted, making the total lent £3,872, and the whole number of members who had thus availed themselves of the loan department, 158. In the insurance department 417 policies had been granted up to 1847, and 104 more this year. The assurance department was established on the mutual principle, and was enrolled under the Friendly Societies' Act. That enrolment secured to

the assured exemption from the probate and legacy duty, by the exercise of his right to nominate whoever he might please to receive the amount of his policy; and should the assured become bankrupt or insolvent after having so nominated, the interest in the policy would, notwithstanding, remain secure to the nominee. Should a member (being a clerk at the time of admission, and after having paid his premium five years), be overtaken by distress, so as to render him incapable of continuing the payment of his premiums, the Board had the power, in their discretion, of keeping up the future payments, by way of loan, from the Casualty Fund of the Benevolent branch of this Association. The doctor concluded his address by calling on all, clerks especially, to join the association, and thus provide something for themselves when the day of adversity should arrive, and something also for those near and dear to them after they had departed. The Mayor of Bristol was in the chair, and upwards of £100 was subscribed in the room towards the Benevolent Fund of the Association.

Reviews.

A History of Prices and of the State of the Circulation from 1839 to 1847 inclusive; with a general review of the Currency Question, and remarks on the operation of the Act 7 and 8 Vict., c. 32. By Thomas Tooke, Esq., F.R.S. London: Longman & Co.

THIS is a supplemental volume to the great work of Mr. Tooke, 'On the History of Prices,' which has obtained for him such deserved celebrity. The circumstances of the past year have given an additional degree of importance to the subject of the volume, and the author has discussed it with all his usual ability. The work is divided into a narrative of facts connected with the fluctuations in the prices of corn and other articles of produce since 1839; and the progress of monetary affairs from that period, accompanied by a commentary, illustrating the effects of the various causes that have influenced prices and the currency. As we intend to give an analysis of the work, which we cannot find room for this month, we notice the volume now only for the purpose of directing the reader's attention to its contents. He will find in it an impartial and ably written review of the Currency question in its various phases, from 1797 to the present time; together with a valuable collection of statistics compiled by two gentlemen who are known as talented writers on banking affairs—Messrs. Newmarch and Danson. The facts collected by these gentlemen, and the arguments of Mr. Tooke, completely expose the fallacy of the theory of the Bank Act.

The City of London Trade Protection Society's Circular, of which we have received the first number issued to the public, is an important publication. It contains a record of all the frauds,—and of the swindlers by whom they are carried on,—which come under the cognizance of the society. A circular for the exclusive information of the members of this association, has been regularly published for some time past; but it is now intended, we presume, to make a great portion of the information available for the general public. The private circular is a publication calculated to be of essential service to bankers—more particularly to those in the country—and a twelve-month's subscription to the London Trade Protection Society, which entitles the subscriber to receive the circular, would often be money well expended.

Capital, Currency, and Banking. By James Wilson, Esq., M.P. London : Economist Office, 340, Strand.

THIS is a collection of some of the more important articles published in *The Economist Newspaper*, of which Mr. Wilson is the Editor, on the subjects indicated by the title ; including a full discussion of the plan proposed by him last year, for improving the condition of the currency by the issue of one-pound notes, under certain restrictions. We gave an analysis of this plan at the time it was first made public, and expressed our approval of it and of the ability with which it was supported. We have also several times referred to many of the articles now republished in this volume, and are glad of having the opportunity of again bearing testimony to the great merit of nearly all that Mr. Wilson has written. There is scarcely a commercial topic of any importance which he has not thrown some new light upon by his writings, and the plain good sense of his remarks ; his sound judgment, and the clear forcible style in which his opinions are conveyed, have placed him in the first rank of economical writers. There are few men of business, or private gentlemen, who would not derive advantage from a perusal of the papers contained in the present volume.

Tables, exhibiting the various fluctuations in the Three per Cent. Consols in every month during each year, from 1789 to 1847 inclusive, with ruled pages for their continuance to 1857. By James Van Sommer, Secretary to the Managers of the Stock Exchange. London : Smith, Elder & Co.

THE above title will in part explain the valuable character of these tables ; but there are many additional features of interest in them, of much importance to mercantile men. The best illustration we can present of their utility will be, to give some extracts from them, which we shall do next month. In the meantime we cordially recommend the work as an essential "book of reference," for the desk or library of every man of business. It will enable him, at a glance, to ascertain the effect on the Funds, of every public event of importance since the year 1789 ; and materially assist his judgment on occasions of difficulty. No banker will willingly be without the volume when he learns its character and importance.

Monetary Intelligence.

REVIEW OF THE MONEY MARKET DURING THE MONTH OF APRIL, 1848.

THE fluctuations which have taken place in the value of all the classes of securities which are the objects of ordinary sale and purchase have been comparatively insignificant during the present month, when compared with its immediate predecessor. There certainly has been no dearth of topics of something more than common interest ; but the law of comparison applies nowhere with greater force than upon the stock exchange, and although there have been daily budgets of extraordinary intelligence from Italy, Austria, France, and the shores of the Baltic, they have excited scarcely any notice compared with the events of February and March. Consols have fluctuated within a margin of about 3 per cent.—touching 80 as their lowest, and somewhere about 83 as their highest point. At the time we write they are again in a declining state, and stand about 82. Exchequer bills continue to improve. They are now selling for 44s. premium, on the 1st March (1848) they were worth 13s. The high price of these bills is one of the most evident proofs of the accumulation of capital beyond the current requirements of trade.

We pointed, in our last review, to the enormous fall which had taken place, during the five weeks ending with the 24th March last, in the market value of our own railway shares, and in the prices of foreign funds. We regard it as a favorable symptom, that this ruinous process of declension would appear to have been effectually arrested, and, in some instances, to have given place to a gradual improvement of value.

The following figures will explain themselves, with reference to railways; and the following table will exhibit a similar comparative statement of the leading securities in the foreign stock market. It will be observed that the greatest decline in the table is in the shares of the Bank of France, caused chiefly by apprehensions for the integrity of that institution under the present government of the republic.

	At 19th Feb., 1848.	At 24th Mar., 1848.	At 22nd April, 1848.
Great Western	102	92	88
Lancashire and Yorkshire ..	79	72	70
Brighton	37	30	29
London and North Western..	147	128	128
Do. South Western..	52	46	46
Midland.....	116	100	98
York and North Midland....	75	62	65
Dutch 2½ per cents.	54½	40	40
Do. 4 per cent. certificates. 85½	85½	61	59
Russian Bonds, 5 per cent. ..	111	87	90
Belgian Bonds, 4½ per cent. ...	90	58	53
French Rentes, 5 per cent. ...	117	65	61
Do. 3 per cent. ...	74	51	40
Bank of France Shares	3,190	1,600	1,000

We ventured to express an opinion, in our last article, that the decline in the price of sterling railway shares could scarcely proceed any further. So far the fact would seem to have answered to our expectation; and we conceive that no great risk of discomfiture will be encountered by hazarding a still further anticipation that the current value of these investments is much more likely to improve than the contrary. It seems to us that there are very strong grounds for such an opinion. The necessities of the times, and the rapid fall of prices, have already extruded a very large portion of the *weak* holders of railway property, and of holders who had borrowed the main part of the purchase money on the strength of the shares themselves, covered by a margin to the lender. There is not, therefore, the same liability of having the market every now and then inundated by men who *must* sell their shares under any combination of adverse circumstances. Further, the interest yielded by investments made at current rates is very greatly in excess of the returns which can be obtained in any other quarter, of equal solidity and repute; and, as a final reason, the mass of foreign capital which is seeking a safe resting-place in this country will hardly continue to be poured into one of the most uncertain and least profitable outlets (Consols), when another and better species of outlay is so close at hand. In pointing out these considerations, we have not the remotest desire to excite or advise speculation; we shall have succeeded as far as we intend if any of our readers concerned in these undertakings are prevented from estimating their gains or losses at too high or too low a figure, in consequence of the present state of the market.

STATE OF TRADE.

There has been no important change in the condition of the manufacturing districts, either for better or worse, during the present month. Wherever there is a difference, we fear it has been in the wrong direction. The manufacturers still suffer severely from the almost total discontinuance of the con-

tinental demand, and it would seem that the mills are chiefly kept in motion at present by the requirements of the home trade. The following represents the state of employment in Manchester.

	Mills. 1848.			Work people. 1848.		
	15th Feb.	21st Mar.	18th April.	15th Feb.	21st Mar.	18th April.
Working full time..	153	.. 138	.. 138	.... 33,296..	30,249..	27,000
Working short time..	35	.. 49	.. 53	.... 3,659..	5,505..	8,000
Stopped work	17	.. 21	.. 18	.... 7,613..	8,785..	8,000
	205	.. 207	.. 209	.... 44,568..	44,539..	43,000

The striking features of this return are the large decrement in the hands *employed*, and the equally large increase in the hands only *partially employed*.

The *Cotton Trade* continues dull, and the tendency of Prices, with a short speculative reaction, is decidedly in favour of the buyer. We believe that, at this moment, the best kinds of the staple are some 30 per cent. cheaper than at this time last year.

The diminution to so important an extent of the European consumption beyond doubt a subject for extreme regret, and a source of great temporary embarrassment. But we are by no means so sure that it is to be regarded as a permanent misfortune. It is true that we have lost the custom of the Continent for a time, but is it not also true that we have by the same process delivered from the *competition* of the Continent, for an indefinite and protracted period? Germany and Belgium have ceased to buy, but they have also ceased to produce; and the same observation applies with increasing pertinence to France, to Italy, to the north of Europe, and to all those distant states where insecurity and revolution have produced actual war, or are likely to do so. It is quite sure, however, that a certain amount of consumption of manufactured goods and sea-borne produce will go on even in the most unfortunate of these countries; and there appears to be every probability that a smaller or a greater degree, we shall see a revival of the phenomena of war, when, in consequence of the insecurity of the rest of Europe, England possessed a virtual monopoly of supply; and to whatever limit this may place it is certain that it will bring with it a corresponding improvement in our manufacturing population.

These anticipations are not wholly unsupported by facts, even at present. The silk mills at Manchester are exceedingly well employed—chiefly, we are informed, in consequence of the impossibility and danger of entrusting orders to French firms; and last week, at Leeds, a business of some extent was transacted on American account—the orders for which have been diverted to this country by the unsettled state of affairs in Belgium.

THE CORN TRADE.

The *Gazette* averages for England and Wales have been:—

Weeks ended, 1848.		Grs. sold.	Weekly average.		Six Weeks' average.		Duty.		Corresponding Six Y. Last Y.
			s.	d.	s.	d.	s.	d.	s.
Mar. 18	..	99,689	..	50 4	..	50 5	..	7 0	.. 73
„ 25	..	98,135	..	51 4	..	50 6	..	7 0	.. 74
April 1	..	98,750	..	51 10	..	50 7	..	7 0	.. 75
„ 8	..	86,508	..	51 6	..	50 10	..	7 0	.. 75
„ 15	..	66,704	..	49 7	..	56 9	..	7 0	.. 75

The tendency of prices, as will be seen by the averages, has been more and more against the farmers. We are now entering upon the period when the market becomes, in a great measure, a weather market, rising and falling almost entirely under the influence of opinion as to the result of the harvest. It is somewhat too soon to form any decided estimate, one way or the other, as to the probable complexion of that great event. It is quite true that the heavy rain

March have most materially interfered with the operations of agriculture in the northern counties, and that the very unfavourable weather which has prevailed during the middle of the present month, in the districts nearer London, has not been without some influence. In Yorkshire—except in very favourable localities—there is still a wide breadth of land to be prepared for the summer crops, and the farmers complain that while the wheat plant is over thick upon the ground, the unsettled state of the weather does not give them the chance of using those measures of repression which might otherwise be employed. It is also true that in many counties—probably in most—the wet, cold nights have exercised an unfavourable influence on the plant. It is desirable that all these facts should be borne in mind. But we must not overlook the consideration that we are still at the very threshold of summer, and that a few weeks, or even a short succession of days, of really fine weather, might completely change the aspect of nature. We must also remember that we have no radical defect in the crop to contend with. The plant has not been killed or decimated by severe rain, or frost, in winter; at the utmost it is only affected partially by circumstances which may be here and there detrimental, but which can scarcely be described, with truth, in any case, as being fatal.

It is difficult to ascertain with anything approaching precision what is the condition of the stocks of old corn held by the farmers throughout the country, but from facts which have recently fallen under our notice we incline to the opinion that these stocks are very considerable.

BANK OF ENGLAND.

The returns have been :—

Date. 1848.	Circulation.	LIABILITIES.					Rest.	Total Liabilities
		Public Deposits.	Private Deposits.	Total Deposits.				
March 18	18.31	.. 6.96	.. 9.77	.. 16.73	..	3.99	..	39.04
" 25	18.51	.. 7.45	.. 9.35	.. 16.80	..	3.99	..	39.31
April 1	18.59	.. 7.14	.. 9.58	.. 16.72	..	4.00	..	39.31
" 8	19.25	.. 4.58	.. 11.96	.. 16.54	..	3.39	..	39.19
" 15	19.62	.. 3.12	.. 11.95	.. 15.07	..	3.40	..	38.09

Date. 1848.	Public Securities.	ASSETS.					Total Bullion.	Total Assets.
		Private Securities.	Bullion in Banking De- partment.	Bullion in Issue De- partment.				
March 18	11.57	.. 12.34	.. 11.67	.. 3.45	..	15.12	..	39.04
" 25	11.69	.. 12.30	.. 11.71	.. 3.60	..	15.31	..	39.31
April 1	11.72	.. 12.38	.. 11.54	.. 3.67	..	15.21	..	39.31
" 8	12.68	.. 11.91	.. 10.36	.. 4.24	..	14.60	..	39.19
" 15	12.73	.. 11.60	.. 9.16	.. 4.60	..	13.76	..	38.09

From the above accounts, it will be observed that a large diminution of the *Bullion* has taken place during the month, nearly *one million and a half sterling* having been withdrawn concurrently with the payment of the dividends in the course of the two last weeks quoted. The demand upon the Savings' Banks in Ireland has obliged the banks there to reinforce themselves with gold to the extent of *three quarters of a million*; and a considerable sum is understood to have been exported to the continent in consequence of the premium on gold there. The increase of the *circulation*, the decrease of the *public deposits* and the increase of the *private deposits*, are the usual features in the returns at the time of payment of the dividends. The small decrease in the *other securities* shows the advances during the quarter, on commercial bills and on stock, to have been much less than ordinary, and affords decisive proof of the depressed condition of every department of trade.

[illegible]

JOINT STOCK BANKS.		Latest Price.	
		Op'd.	£23 0
Australasia	-	£40	0
British North American	-	50 sh.,	40 0
Commercial of London	-	100	20 0
London and Westminster	-	100	20 0
DIty, New	-	7	21 0
London Joint Stock	-	50	10 0
Provincial of Ireland	-	100	25 0
York and Lancashire	-	100	37 0

Austrian Bonds, 5 per Cent.	—	Portuguese Bonds, 4 per Cent.	153
Belgian Bonds, 3 per Cent.	—	Russian Bonds, 1852, 5 per Cent. in 2 ^d Ser.	88
Brazilian Bonds, 4 per Cent.	67	Spanish Bonds 3 per C. div. from Nov. 1840	114
Buenos Ayres Bonds, 6 per Cent.	20	Spanish Bonds	3
Calcutta Bonds, 6 per Cent.	—	Ditto, 5 per Cent.	—
Chili Bonds, 5 per Cent.	—	Ditto, 6 per Cent.	224
Columbian Bonds, 5 per Cent.	—	Ditto, 3 per Cent.	—
Columbian Bonds, Deferred, 6 per Cent.	—	Ditto, 3 per Cent. Spanish Bonds	—
Danish 3 per Cent.	55	24 per Cent. Venezuela Bonds	—
		(Dividends on the above payable in London.	—

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. Mar. 25th.	1848. April 1st.	1848. April 8th.	1848. April 15th.
Notes issued.....	£ 28,556,320	£ 28,542,735	£ 28,008,385	£ 27,165,470
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,984,900	2,984,900	2,984,900	2,984,900
Gold coin and bullion.....	12,738,430	12,648,784	12,089,798	11,231,101
Silver bullion.....	1,817,890	1,893,951	1,918,587	1,934,869
	28,556,320	28,542,735	28,008,385	27,165,470

BANKING DEPARTMENT.

	1848. Mar. 25th.	1848. April 1st.	1848. April 8th.	1848. April 15th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,998,884	4,001,345	3,396,092	3,400,582
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	7,452,856	7,140,126	4,586,084	3,120,901
Other deposits.....	9,353,628	9,580,384	11,901,862	11,950,962
Seven day and other bills.....	904,354	926,092	1,007,866	1,028,762
	36,259,422	36,300,856	35,504,814	34,051,177
Government securities (including Dead Weight Annuity).....	11,688,041	11,721,566	12,682,866	12,733,630
Other securities.....	12,857,062	12,936,289	12,460,182	12,149,833
Notes.....	10,952,245	10,874,870	9,767,780	8,668,990
Gold and silver coin.....	766,474	668,131	594,046	598,784
	36,259,422	36,300,856	35,504,814	34,051,177

The Exchanges.

	Mar. 31st.	April 7th.	April 14th.	April 20th.	April 15th.
London, 3 months.....	—	12 7½	12 4	12 5	12 4
do at night.....	12 5	—	—	—	12 1
London, short.....	12 7½	—	—	—	12 4½
Paris, 3 months.....	—	—	26 50	—	26 50
do, ditto.....	—	14 4	—	14 1	14
Amsterdam, short.....	26 70	26	25 50	25 80	25 70
do, 3 months.....	—	—	—	—	—
do, ditto.....	—	27	—	—	—
Brussels, ditto.....	—	—	—	—	—
Antwerp, ditto.....	—	—	—	124	124
do, ditto.....	—	—	—	—	—
do, ditto.....	—	11 50	—	—	—
do, ditto.....	—	44	—	—	42½
do, ditto.....	—	47	—	—	46½
do, ditto.....	33	—	—	31	—
do, ditto.....	27 50	33	—	—	—
do, ditto.....	—	37	38	—	36½
do, ditto.....	—	—	—	—	—
do, ditto.....	—	—	—	—	—
do, 60 days' date.....	50½	—	51	51½	51½
do, ditto.....	50½	—	51	—	51½
do, ditto.....	25	—	—	—	—

Bankers' Magazine Appendix, May, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.		
		Mar. 4.	Mar. 11.	Mar. 18.
	£	£	£	£
1 Andover Bank	17,751	10,159	10,693	9,420
2 Ashford Bank.....	11,849	8,000	8,775	8,704
3 Aylsham Bank	5,854	4,905	4,685	4,863
4 Aylesbury Old Bank	48,461	30,000	29,575	30,440
5 Baldock and Biggleswade Bank ..	37,223	27,266	26,311	26,695
6 Barnstaple Bank	17,182	10,300	10,101	10,905
7 Basingstoke and Odiham Bank....	24,730	17,476	17,289	17,255
8 Bedford Bank.....	34,218	27,958	28,524	29,679
9 Bedford and Bedfordshire Bank ..	8,515	6,787	6,783	6,455
10 Bewdley Bank	18,597	12,171	11,749	11,446
11 Bicester and Oxfordshire Bank....	27,090	14,118	14,009	13,696
12 Birmingham Bank—Attwoods & Co.	23,695	23,968	23,863	23,540
13 Birmingham and Warwickshire Bk.	18,132	12,875	13,040	13,742
14 Blandford Bank	9,723	7,194	7,410	7,540
15 Boston Bank—Garfit and Co.	75,069	54,955	55,869	56,046
16 Boston Bank—Gee and Co.	15,161	13,427	12,514	13,594
17 Bridgewater Bank	10,028	7,509	7,623	7,705
18 Bristol Bank	48,277	30,601	30,360	29,663
19 Broseley and Bridgenorth Bank ..	26,717	19,580	19,706	19,070
20 Buckingham Bank	29,657	18,530	19,871	19,340
21 Bury and Suffolk Bank	82,362	65,346	65,885	68,030
22 Banbury Bank	43,457	24,481	23,964	24,414
23 Banbury Old Bank	55,153	36,060	36,450	37,201
24 Bath City Bank	4,572	3,083	3,051	2,904
25 Bedfordshire Leighton Buzzard Bk.	36,829	29,363	30,081	30,526
26 Birmingham Bank—Taylor & Lloyds	38,816	27,131	27,958	28,141
27 Bradford Old Bank	12,676	11,680	11,863	11,336
28 Brecon Old Bank	68,271	48,314	51,927	50,771
29 Brighton Union Bank	33,794	30,393	30,660	29,165
30 Burlington and Driffield Bank	12,745	10,036	10,168	10,410
31 Bury St. Edmund's Bank.....	3,201	3,199	2,666	2,817
32 Bromsgrove Bank	16,799	15,049	14,460	14,857
33 Cambridge Bank—Mortlock & Son's	25,744	19,897	19,980	20,395
34 Cambridge and Cambridgeshire Bk.	49,916	42,107	42,079	43,243
35 Canterbury Bank	33,671	25,867	26,420	26,872
36 Carmarthen Bank	23,597	15,167	14,890	14,620
37 Chertsey Bank	3,436	2,422	2,492	2,621
38 Colchester Bank.....	25,082	17,712	17,305	17,110
39 Colchester and Essex Bank	48,704	32,567	32,409	32,179
40 Cornish Bank	49,869	36,387	36,865	36,080
41 Coventry Bank	12,045	8,701	8,838	9,360
42 City Bank, Exeter.....	21,527	15,240	15,277	15,482
43 Craven Bank	77,154	69,840	72,200	73,352
44 Christchurch Bank.....	2,840	1,700	1,569	1,585
45 Cardiff Bank	7,001	5,483	6,070	5,936
46 Chepstow Old Bank	9,387	6,426	6,460	6,258
47 Derby Bank—Messrs. Evans	13,332	12,425	13,748	12,485
48 Derby Bank—Smith and Co.	41,304	34,020	35,249	37,632
49 Derby Old Bank	27,237	25,247	25,698	25,178
50 Devizes and Wiltshire Bank	20,674	10,825	11,154	10,962
51 Diss Bank	10,657	10,450	10,270	9,810
52 Doncaster Bank and Retford Bank	63,519	57,489	57,464	56,090
53 Darlington Bank	86,218	63,206	66,495	65,887

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Mar. 4.	Mar. 11.	Mar. 18.	Mar. 25.
	£	£	£	£	£
54 Devonport Bank	10,664	9,322	9,297	9,710	9,460
55 Dorchester Old Bank	48,807	31,864	30,841	31,183	30,498
56 East Cornwall Bank	112,280	78,266	79,910	81,569	84,221
57 East Riding Bank	53,392	41,621	42,669	44,498	41,928
58 Essex Bk. & Bishops Stortford Bk.	69,637	42,050	42,326	41,053	42,232
59 Exeter Bank	37,894	22,413	22,837	22,907	23,787
60 Fakenham Bank	24,293	17,799	17,506	18,078	18,108
61 Faringdon Bank & Bk. of Wantage	8,977	4,475	5,793	5,744	6,211
62 Farnham Bank	14,202	11,257	11,474	11,306	11,875
63 Faversham Bank	6,681	4,716	4,690	4,622	4,850
64 Godalming Bank	6,322	5,810	5,750	5,377	5,425
65 Grantham Bank—Kewney & King	19,401	15,825	15,498	16,380	16,017
66 Guildford Bank	14,524	10,711	10,572	11,022	11,190
67 Grantham Bank—Hardy & Co...	30,372	22,179	22,722	22,134	22,705
68 Hastings Old Bank	38,038	23,617	22,220	22,621	22,386
69 Hereford City and County Bank..	22,364	13,480	12,566	12,560	12,495
70 Hertford and Ware Bank	23,635	20,975	21,122	20,684	21,074
71 Hull & Kingston-upon-Hull Bank	19,979	18,509	17,936	17,293	17,876
72 Huntingdon Town & County Bank	56,591	39,447	38,582	40,610	41,175
73 Harwich Bank	5,778	4,515	4,724	4,688	4,875
74 Hemel Hempstead Bank	23,842	18,602	19,100	19,797	19,034
75 Hertfordshire, Hitchin Bank ...	38,764	33,723	33,725	33,614	34,122
76 Hereford, Ross, & Archenfield Bk.	27,625	19,603	19,421	19,330	18,499
77 Ipswich Bank	21,901	18,752	18,270	18,994	19,353
78 Ipswich & Needham Market Bank	80,699	70,970	69,725	69,805	69,518
79 Kentish Bank	19,895	12,270	11,783	12,356	11,879
80 Kingston and Radnorshire Bank ..	26,050	18,518	18,299	18,584	18,384
81 Knighton Bank	9,090	5,435	4,719	6,554	6,915
82 Knarborough Old Bank	21,825	18,012	18,456	18,881	18,758
83 Kendal Bank	44,663	38,710	38,088	36,903	36,063
84 Kettering Bank	9,192	7,510	7,250	7,118	7,462
85 Lane End Staffordshire Bank ...	5,624	5,450	5,447	5,354	5,445
86 Leeds Bank	53,357	48,576	47,290	49,399	49,786
87 Leeds Union Bank	37,459	33,609	34,310	33,578	32,284
88 Leicester Bank	32,322	22,753	23,095	24,429	25,027
89 Lewes Old Bank	44,836	31,080	30,709	30,399	30,850
90 Lichfield Bank	22,786	18,240	19,747	20,581	20,785
91 Lincoln Bank	100,342	74,847	76,189	76,844	78,014
92 Llandoverly Bank & Llandilo Bank	32,945	10,798	11,040	11,605	15,041
93 Loughborough Bank	7,359	7,093	6,771	6,660	7,515
94 Lymington Bank	5,038	3,196	3,250	3,225	3,392
95 Lynn Regis and Lincolnshire Bank	42,817	36,574	36,369	35,200	36,238
96 Lynn Regis and Norfolk Bank ..	13,917	12,701	12,962	13,240	13,175
97 Macclesfield Bank	15,760	10,182	10,577	10,508	10,327
98 Manningtree Bank	7,692	5,891	5,808	5,715	6,205
99 Marlborough Bank	19,073	12,109	12,139	12,819	13,850
100 Marlboro & North Wilts. New Bk.	12,490	6,794	7,025	6,665	6,889
101 Merionethshire Bank	10,906	4,454	4,390	4,335	4,758
102 Miners' Bank	18,688	13,475	13,492	13,419	13,597
103 Monmouthsh. Agricul. & Com. Bk.	29,335	23,603	25,559	23,148	23,057
104 Monmouth Old Bank	16,385	10,853	10,968	11,174	11,343
105 Monmouthshire Newport Old Bank	8,600	7,858	8,145	8,252	8,458
106 Newark Bank	28,788	22,469	22,174	22,100	22,115
107 Newark and Sleaford Bank	51,615	42,785	44,140	43,434	44,177
108 Newbury Bank	36,787	17,963	17,708	17,916	17,495
109 Newmarket Bank	23,098	16,594	16,925	17,143	17,514
110 Norfolk and Suffolk Bank	4,551	2,090	2,081	2,303	2,076
111 Norwich Crown Bank	45,120	40,230	39,048	38,555	40,087

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.		
		Mar. 4.	Mar. 11.	Mar. 18.
	£	£	£	£
112 Norwich and Norfolk Bank.....	75,372	56,915	57,231	55,305
113 Nottingham & Nottinghamsh. Bk.	10,866	9,503	8,709	8,593
114 Nuneaton Bank	5,898	3,636	3,612	4,044
115 Naval Bank, Plymouth	27,321	19,405	20,307	21,293
116 New Sarum Bank	15,659	9,748	9,396	9,697
117 Nottingham Bank	31,047	27,874	26,613	26,944
118 Oswestry Bank.....	18,471	9,421	9,325	10,149
119 Oxford Bank	14,277	10,217	11,180	11,065
120 Oxford Old Bank	34,391	29,120	29,811	28,905
121 Old Bank Tonbridge	13,183	6,993	7,288	6,969
122 Oxfordshire Witney Bank	11,852	7,751	7,875	8,255
123 Pease's Old Bank, Hull	48,807	45,448	45,267	45,936
124 Penzance Bank.....	11,405	9,639	9,634	9,449
125 Peterborough Bank—Yorke & Co.	12,545	7,221	7,962	7,665
126 Peterborough Bk.—Simpson & Co.	12,832	9,507	9,776	9,961
127 Pembrokeshire Bank	12,910	6,883	6,885	6,872
128 Reading Bank—Simmonds & Co.	37,519	25,329	25,430	24,955
129 Reading Bank—Stephens & Blandy	43,271	23,564	22,567	21,809
130 Richmond Bank, York	6,889	4,429	4,270	4,074
131 Ringwood and Poole Bank	11,856	7,893	8,135	7,910
132 Rochdale Bank.....	5,590	3,501	3,358	3,228
133 Rochester, Chatham, & Strood Bk.	10,480	8,533	7,885	7,719
134 Royston Bank	16,393	12,999	13,980	14,145
135 Rugby Bank.....	17,250	13,190	14,214	13,783
136 Rye Bank.....	29,864	13,247	13,158	13,336
137 Reigate and Dorking Bank	13,700	10,421	10,298	10,638
138 Ross Old Bank, Herefordshire ..	7,420	4,209	4,183	3,977
139 Saffron Walden & North Essex Bk.	47,646	36,040	36,197	36,117
140 Salop Bank	22,338	9,517	10,095	10,071
141 Scarborough Old Bank	24,813	22,776	22,202	21,048
142 Shrewsbury Old Bank.....	43,191	25,849	27,713	26,040
143 Sittingbourne and Milton Bank ..	4,789	2,908	2,552	2,465
144 Southampton Town & County Bk.	18,589	12,044	11,758	11,111
145 Southwell Bank	14,744	11,810	11,570	11,276
146 St. Albans Bank	3,743	1,020	993	869
147 Southampton and Hampshire Bank	6,770	3,145	3,046	2,856
148 Stone Bank	9,154	5,166	5,434	5,674
149 Stourbridge Bank.....	17,295	12,380	12,974	13,661
150 Stafford Old Bank	14,166	12,889	12,025	12,223
151 Stamford and Rutland Bank	31,858	23,310	24,261	24,375
152 Stourbridge Old Bank.....	17,560	18,100	17,293	16,438
153 Shrewsbury and Welsh Pool Bank	25,336	15,665	15,882	19,207
154 Taunton Bank	29,799	17,348	17,441	17,857
155 Tavistock Bank	13,421	8,165	9,486	9,694
156 Thornbury Bank	10,026	7,667	8,336	8,990
157 Tiverton and Devonshire Bank ..	13,470	6,138	6,171	5,935
158 Thrapstone and Kettering Bank ..	11,559	9,935	9,790	10,047
159 Tring Bank and Chesham Bank ..	13,531	12,122	12,444	12,278
160 Towcester Old Bank	10,801	7,623	7,714	7,812
161 Union Bank, Cornwall	17,003	7,442	7,730	7,195
162 Uxbridge Old Bank.....	25,136	18,108	17,625	17,592
163 Wallingford Bank	17,064	5,841	6,240	6,820
164 Warwick and Warwickshire Bank	30,504	23,926	23,925	24,620
165 Wellington Bank, Somerset	6,528	2,375	2,578	2,828
166 West Riding Bank	46,158	41,878	42,762	42,452
167 Whitby Old Bank	14,258	14,298	13,600	13,375
168 Winchester, Alresford & Alton Bk.	25,892	17,913	17,371	18,341
169 Winchester and Hampshire Bank	6,737	4,106	3,834	3,885

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Mar. 4.	Mar. 11.	Mar. 18.	Mar. 25.
	£	£	£	£	£
South Old Bank	16,461	9,908	9,718	11,995	11,485
North and Derbyshire Bank	37,602	30,130	30,524	29,785	30,216
North and Lincolnshire Bank ..	59,713	46,784	45,890	45,567	46,188
Doncombe Bank	7,602	7,301	7,199	7,036	6,893
Hampton Bank—Goodricke					
.....	14,180	11,823	12,046	11,249	11,544
.....	15,463	9,088	8,984	9,025	9,603
..... Old Bank	87,448	70,441	70,816	69,539	70,960
..... Bank	14,309	9,173	9,035	9,092	9,487
..... Old Bank	19,937	16,960	17,766	17,745	18,917
..... and Wiltshire Bank ..	24,896	12,899	12,173	12,130	11,979
..... Bank	3,289	1,474	1,280	1,060	949
..... Hampton Bank—R. & W. ..					
.....	11,867	7,529	7,776	7,783	7,515
..... and Suffolk Bank	53,060	46,785	45,940	45,659	45,535
..... North, Norfolk, & Suffolk Bk.	13,229	9,908	10,388	10,427	10,588
..... Old Bank	10,033	5,776	5,734	5,837	6,241
..... Bank	46,387	38,669	38,649	38,426	38,172

JOINT STOCK BANKS.

Westmoreland	12,225	7,466	7,013	6,721	6,921
Banking Company	9,563	7,650	7,823	8,123	7,680
Banking Company	49,292	42,666	43,206	41,902	41,305
District Banking Company ..	9,418	8,823	9,205	9,226	9,226
Whitehaven	32,681	28,150	27,358	27,668	28,500
Commercial Banking Co. ..	20,084	15,149	14,542	14,472	14,149
Uttoxeter, and Staffordshire ..					
Bank	60,701	47,415	50,352	53,896	58,578
Field & N. Derbysh. Bk. Co. ..	10,421	7,966	7,924	8,076	8,448
Land Union Banking Co. ..	35,395	28,587	28,805	28,349	28,183
ham & Glo'stershire Bk. Co. ..	12,786	9,249	9,225	9,258	9,356
y & Warwickshire Bk. Co. ..	28,734	21,310	21,042	21,104	22,235
y Union Banking Company ..	16,251	11,695	12,311	11,710	12,322
of Gloucester Banking Co. ..	144,352	95,944	96,934	94,552	93,614
& Cumberland Banking Co. ..	25,610	21,024	21,331	21,961	22,815
City and District Bank	19,972	18,205	18,412	18,721	17,666
& West Bromwich Bkg. Co. ..	37,696	32,616	33,370	33,718	38,508
nd Derbyshire Banking Co. ..	20,093	18,388	18,764	18,427	20,112
ton Dist. Joint Stock Bk. Co. ..	26,134	15,757	16,480	16,455	18,172
England Bank	25,025	23,850	23,356	23,864	24,103
tershire Banking Company ..	155,920	118,344	120,030	119,493	124,420
Joint Stock Bank	18,534	12,567	12,961	12,536	12,630
field Banking Company ..	37,354	29,951	30,632	32,459	31,800
anking Company	29,333	26,895	27,295	27,240	27,690
Commercial Banking Co. ..	13,733	8,778	8,315	7,395	7,775
& Huddersfield Union Bank ..	44,137	24,745	27,602	27,499	25,789
anking Company	1,503	1,553	1,571	1,610	1,259
rdshire Banking Company ..	25,047	15,754	15,699	16,226	16,428
orough and Claro Bkg. Co. ..	28,059	22,237	22,505	23,306	23,806
ridge Joint Stock Bank	3,952	3,645	3,764	4,171	4,120
anking Company	64,311	66,060	64,166	60,571	57,824
anking Company	23,076	22,576	23,782	23,285	21,301
tershire Banking Company ..	86,060	64,578	65,927	65,362	66,118
na and Lindsay Banking Co. ..	51,620	41,915	43,819	43,137	43,773
ington Priors & Warwicksh. Bk. ..	13,875	10,510	10,886	10,839	10,791
w and Tenbury Bank	10,215	8,725	7,989	7,943	8,070

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Mar. 4.	Mar. 11.	Mar. 18.	
	£	£	£	£	
36 Moore & Robinson's Notts. Bank ..	35,813	21,303	22,281	22,904	2
37 Nottingham and Notts. Banking Co.	29,477	23,207	24,850	24,323	2
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	15,925	14,510	12,816	1
39 National Provincial Bk. of England	442,371	321,857	330,953	337,862	34
40 North Wilts Banking Company ..	63,939	41,911	41,555	43,652	4
41 Northamptonshire Union Bank ..	84,356	63,112	63,571	63,350	6
42 Northamptonshire Banking Co. ..	26,401	21,639	20,343	20,063	2
43 North and South Wales Bank	63,951	11,360	13,115	13,684	
44 Pare's Leicestershire Banking Co...	59,300	46,560	47,495	48,307	
45 Saddleworth Banking Company ..	8,122	1,682	1,727	1,711	
46 Sheffield Banking Company	35,843	35,501	34,980	36,710	
47 Stamford, Spalding & Boston Bk. Co.	55,721	44,845	45,464	45,645	
48 Stuckey's Banking Company	356,976	235,748	236,885	239,677	2
49 Shropshire Banking Company	47,951	35,019	34,745	33,628	
50 Stourbridge and Kidderminster Bk.	56,830	46,909	49,281	48,211	
51 Sheffield and Hallamshire Bank ..	23,524	17,775	17,133	17,151	
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,387	53,571	52,354	
53 Swaledale and Wensleydale Bank...	54,372	44,244	44,709	44,744	
54 Storey's and Thomas's Bank.....	9,714	9,676	9,470	9,609	
55 Sheffield and Retford Bank	18,744	827	820	807	
56 Wolverhampton & Staffordsh. Bank	35,378	28,417	29,556	29,090	
57 Wakefield and Barnsley Union Bank	14,604	11,201	11,825	11,495	
58 Whitehaven Joint Stock Bank	31,916	27,538	26,613	26,583	
59 Warwick and Leamington Bkg. Co.	37,124	30,518	31,092	32,077	
60 West of England and South Wales District Bank.....	83,535	62,182	64,643	63,743	
61 Wilts and Dorset Banking Company	76,162	51,609	54,166	55,487	
62 West Riding Union Banking Co. ..	34,029	24,800	26,809	26,565	
63 Whitchurch and Ellesmere Bkg. Co.	7,475	3,046	3,007	2,993	
64 Worcester City & County Bkg. Co.	6,848	4,296	4,231	4,741	
65 York Union Banking Company ..	71,240	66,668	69,595	71,045	
66 York City and County Banking Co.	94,695	83,553	83,309	82,674	
67 Yorkshire Banking Company	122,532	99,720	100,373	101,674	1

Summary of the above Returns.

	Fixed Issues.	Mar. 4.	Mar. 11.	Mar. 18.	
	£	£	£	£	
187 Private Banks	4,880,389	3,567,063	3,576,837	3,599,665	3
67 Joint Stock Banks ..	3,409,987	2,525,778	2,567,073	2,576,250	2
254 Totals.....	8,290,376	6,092,841	6,143,910	6,175,915	6

Average Weekly Circulation of these Banks for the month ending March 25th
Private Banks.....£3,598,22
Joint Stock Banks.....2,572,34

Average Weekly Circulation of Private and Joint Stock Banks ending as above.....£6,170,62

On a comparison of the above with the Returns for the Month ending 26th Feb shows—

A decrease in the Notes of Private Banks, of£34,86
A increase in the Notes of Joint Stock Banks, of60,28

Total increase on the Month£25,42

CIRCULATION RETURNS.

compared with the Month ending the 27th March, 1847, it shows—

Decrease in the Notes of Private Banks, of £943,778
 Decrease in the Notes of Joint Stock Banks, of 676,185

and decrease, as compared with the same period of last year £1,619,963

issues of the several Banks of Issue in England and Wales, excepting the
 Ireland, are now, according to the *Banking Almanac* for 1848, as follows:—

Private Banks, allowed to issue..... £4,880,389
 Joint Stock Banks, allowed to issue..... 3,409,987

Total fixed issue £8,290,376

It now appears to be the comparative state of the circulation, with reference to
 issues:—

Private Banks are *below* their fixed issue £1,282,110

Joint Stock Banks are *below* their fixed issue 837,644

Total *BELOW* the fixed issue..... £2,119,754

*Circulation, and Coin held by the SCOTCH and IRISH BANKS during the
 four weeks, ending Saturday, the 25th day of March, 1848.*

SCOTCH BANKS.

OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Scotland	300,485	96,446	214,791	311,237	165,397
Bank of Scotland ..	183,000	60,421	118,304	178,725	85,581
Banking Company....	438,024	113,797	254,001	367,799	150,389
Bank of Scotland ..	374,880	129,938	269,075	399,013	134,664
Bank of Scotland ..	297,024	84,447	184,036	268,483	76,840
Bank of Scotland ..	327,223	101,315	189,923	291,238	93,545
Bank of Glasgow Bk.	136,657	46,057	68,381	114,438	39,647
Bank in Aberdeen	88,467	26,015	66,836	92,851	29,133
Bank of Glasgow and Co. Bk.	70,133	21,945	52,295	74,240	14,001
Bank of Scotland Bk. Co.	154,319	45,895	87,362	133,257	23,000
Banking Company	33,451	5,198	19,097	24,295	5,486
Bank of Scotland..	33,636	8,765	21,116	29,881	6,153
Bank of Scotland	337,938	89,112	258,437	347,549	128,906
Banking Co.	104,028	24,036	73,535	97,572	29,637
Glasgow Bank	72,921	43,927	56,816	100,743	64,773
Banking Co.	53,434	12,340	33,540	45,880	14,418
Banking Company ..	38,656	11,005	24,374	35,379	13,730
Bank of Scotland..	42,933	11,837	27,520	39,357	10,225
Scotch Banks) ..	3,087,209	932,496	2,019,439	2,951,937	1,085,527

IRISH BANKS.

Ireland	3,738,428	1,830,325	1,160,550	2,990,875	794,133
Bank	927,667	337,112	478,495	815,606	392,742
Bank	281,611	32,599	214,277	246,876	99,789
Bank	243,440	22,131	150,452	172,583	59,366
Bank	311,079	21,331	184,591	205,922	65,037
Bank	761,757	234,991	372,082	607,074	249,635
Suir Nat. Bank	24,084	6,016	10,711	16,728	5,021
National Bank ..	66,428	21,060	30,671	51,731	14,714
Irish Banks)	6,354,494	2,505,565	2,601,829	5,107,395	1,680,437

SUMMARY OF IRISH AND SCOTCH RETURNS TO MAR. 25th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 25th March, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks	£5,107,395
Average Circulation of the Scotch Banks	2,951,937
Total Average Circulation of these Banks for the past month	£8,059,332

On comparing these amounts with the Returns for the month ending 26th February last, they show—

Decrease in the Circulation of Irish Banks	£112,685
Decrease in the Circulation of Scotch Banks	80,383
Total decrease last month	£193,068

And as compared with the month ending 27th March, 1847, they show—

Decrease in the Circulation of Irish Banks	£1,597,341
Decrease in the Circulation of Scotch Banks	408,411
Total decrease on the year	£2,005,752

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue	£6,364,494
18 Banks in Scotland, allowed to issue	3,087,309
26 Banks in all, allowed to issue	£9,451,793

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue	£1,347,099
Scotch Banks are below their fixed issue	135,373

Total below the fixed issue £1,382,371

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks	£1,680,437
Gold and Silver held by the Scotch Banks	1,085,537

Total of Gold and Silver Coin £2,765,964

Being a decrease of £26,445 on the part of the Irish Banks, and a decrease of £6,484 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO MAR. 25th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 25th March, 1848.

Circulation of Notes for the Month ending March 25th, as compared with the previous month :

	Feb. 26, 1848.	Mar. 25, 1848	Increase.	Decrease.
Bank of England	£18,479,766	£17,779,300	—	700,466
Private Banks	3,633,141	3,598,379	—	34,762
Joint Stock Banks	2,512,059	2,572,343	60,284	—
Total in England	24,624,966	23,949,922	—	675,144
Scotland	3,032,320	2,951,937	—	80,383
Ireland	5,320,000	5,107,395	—	112,685
United Kingdom	£33,677,366	£32,009,154	—	806,212

The comparison of the month ending March 27, 1847, with the month ending March 25, 1848, shows a decrease in the Bank of England circulation of £1,477,015, a decrease in Private Banks of £943,778, and a decrease in Joint Stock Banks of £676,185; being a total decrease in England of £3,096,978: while in Scotland there is a decrease of £408,411; and in Ireland a decrease of £1,597,341. Thus showing that the month ending March 25th, as compared with the same period last year, presents a decrease of £3,096,978 in England, and a decrease of £5,102,730 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending March 25th, gives an aggregate amount in both departments of £15,065,256. On a comparison of this with the Return for the month ending February 26th, there appears to be an increase of £726,021; and as compared with the month ending March 27th, 1847, being the corresponding period last year, there is an increase of £3,742,204.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 25th March, was £2,765,964, being a decrease of £32,929, as compared with the preceding month, and a decrease of £670,649, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

JUNE, 1848.

PROPOSED LIMITED LIABILITY OF JOINT-STOCK BANK SHAREHOLDERS.

When Joint Stock Banks were first established, one of their chief recommendations to the public was the circumstance of all the shareholders being individually liable for the entire amount of the establishment, to the extent of their means. This was regarded—and very properly regarded—as a perfect safeguard for the note-holders and depositors of a Joint Stock Bank against the possibility of loss, in case the mismanagement of the bank or other causes, should produce a suspension of payments. This feature in the new banks which was pointed out as distinguishing them essentially from private banks, where how respectable and wealthy the several partners might be, they were exposed to considerable loss, should any misfortune render the firm unable to meet their engagements. In practice the regulation has been found to work exceedingly well to the public; no loss, to any considerable amount, having been occasioned by the failure of a Joint Stock Bank since their establishment, and the public being amply protected against each contingency.

Under these circumstances it may appear surprising that any party should be entertained by parties interested in the success of Joint Stock Banks for an important alteration in this peculiar feature of their organisation. The opinion, however, is daily becoming stronger, that the present unlimited responsibility of the shareholders of these banks is the means of inflicting a gross injustice upon a considerable portion of the public; and that note-holders and depositors can be fully protected from loss without its being necessary to maintain this regulation in its present form, while an important modification of it will increase the real

solvency of banking institutions, and protect shareholders from the heavy losses and frequent utter ruin inflicted by gross mismanagement and ignorance on the part of their directors.

It cannot be denied that shareholders have no efficient control over their directors, commensurate with the power vested in the hands of the latter over the fortunes of the proprietors. In the several cases of Joint Stock Bank failures which have occurred, it is very clear that the disasters might in every instance have been prevented, had ordinary care and business-like attention been shown by the directors. In other words, the ruin of the several Joint Stock Banks which have failed can be clearly shown to have been occasioned by the directors. But the loss has fallen *on the shareholders*; and those who have their property invested in Joint Stock Banks at the present time have no efficient control over their directors to prevent such a result occurring to themselves. The only guarantee for the good management of a bank is the general respectability of the directors; but this is quite insufficient to ensure good management; and the property and social standing of the shareholders is entirely at the mercy of those whom they may appoint to the direction of the bank.

The result of this state of things has been to prevent many parties investing their money in Joint Stock Banks who would willingly have done so had they been able to know exactly the liability they incurred by the act; and in those towns where the Joint Stock Banks suspended payments last autumn the evil is found to be a practical one of a serious character. In Newcastle, for instance, the present extent of banking accommodation is much below the proper requirements of the town; but the successive failures of several Joint Stock Banks there, and the uncertain liability incurred by the respective shareholders, has effectually prevented all attempts at present to establish another bank with a respectable proprietary.

We fear that the Currency Committee of the House of Commons, which is about to present its report, will hardly consider a practical banking matter of this kind deserving of its attention; for we hear that its inquiries have been confined exclusively to "Currency theories," and that the report will recommend—nothing! But we hope our information on this point may prove incorrect, and that some attention may be bestowed on the very important topic we have noticed in this article. The present state of things can hardly be allowed to continue. The case of the Union Bank of Calcutta, and of several failures at home, show that proprietors must be better protected, either by limiting their liability, at the same time that stringent regulations are enforced for ensuring payment of the creditors; or the misconduct of

directors must be made a punishable offence, and their property rendered liable, in the first instance, for the debts of the bank, before that of the shareholders is interfered with.

In the case of the Union Bank of Calcutta, it appears that the mismanagement and consequent stoppage of the bank will have the effect of utterly ruining many of its shareholders. Not only will their property invested in the bank's shares be wholly sacrificed, but the contribution they are called upon to make towards the excess of liabilities over assets, will reduce many of them to beggary, and make paupers of those who had previously been in easy circumstances and thought themselves possessed of a competence for life. It is no sufficient reason for allowing the continuance of a law which produces these results, to say, that the Shareholders being liable to such losses, ought to protect themselves by electing only such Directors as they can fully depend on to take care of their interests; and ought also to adopt an efficient means of auditing their accounts so as to render such losses an impossibility. It is very well known that Shareholders have no such power. The only way of avoiding the chance of loss is by not becoming Shareholders; and we do not think the legislature is prepared to see a serious diminution of the banking capital of the country from such a state of feeling becoming prevalent, but will rather step in and protect Shareholders from their present danger if they can do so, as they can without injury to the public at large.

Impressed with the opinion that an amendment in the existing state of the law of Joint Stock Banking Partnerships is desirable and practicable, a number of gentlemen have drawn up the following memorandum as embodying their suggestions of the mode in which the reform might be carried out. With the general view of the whole we perfectly coincide, although we may be disposed hereafter to propose the modification of one or two of the suggestions which, however, need not be particularly referred to or discussed at present.

HEADS for framing a public act which would permit the establishment of Joint Stock Banks with restricted liability, and the obtainment of charters by existing banks, viz.:—

1.—That the subscribed capital consist in no case of less than £200,000, to be divided in shares of £200 each, of which £100 shall be called up; and no liability shall attach to the subscriber beyond £200.

2.—That one fifth of the capital be always invested in exchequer bills, or other government securities; and if, during any temporary pressure, it should be necessary for the bank to realize any of these securities, no dividend shall be paid until the amount is replaced.

3.—That one half of the subscribed capital not paid up shall never be called for unless for the purpose of winding up the affairs of the bank.

4.—That the amount invested in government securities shall be certified quarterly, and published in the Gazette.

5. That the directors have the power to refuse the transfer of shares if they consider that they are justified in declining to register the purchaser; but that they be not at liberty to refuse such transfer if the purchaser lodge government securities for the amount not called up.

6.—That the list of shareholders published in the Gazette show the number of shares held by each of the shareholders; and that the primary liability of the shareholders continue until the periodical list is published, notwithstanding that the shareholder may have sold his shares in the interim.

7.—That not fewer than three of the directors have full access to all accounts, with a qualification of £5,000 in shares held by each.

8.—That there shall be two auditors appointed by the shareholders, each auditor having a qualification equal to that for directors.

9.—That there be published an account half-yearly, showing the total liability of the bank in respect of bills and deposits.

10.—That, with a view of simplifying the keeping of the bank accounts, there be kept in each bank three ledgers, viz.—

One for keeping the ordinary accounts.

Another to be termed “doubtful ledger,” into which the directors shall be bound to remove all accounts of parties who suspend payment, or who compound with their creditors.

And a third one to be termed “bad-debt ledger,” into which the directors shall be bound to remove the balances which may appear on the final winding up of each defaulter’s estate.

11.—That the “doubtful” and “bad-debt ledgers” be kept in some convenient part of the bank for the period of 30 days after each day on which an ordinary meeting of shareholders may have been held, and be open during that time to the inspection of any shareholders or creditor of the bank during the usual hours of business.

12.—That dividends be not paid unless the bank accounts show profits after deduction of losses.

13.—That the dividends in no case exceed 5 per cent. on the amount paid up, until a guarantee fund of at least 5 per cent. of the capital of the bank has been established.

14.—That a dissolution of the bank take place in every case

where half of the paid-up capital has been lost, unless the shareholders decide to pay up the losses; and, in such case, parties declining shall be discharged from all liabilities which may be entered into after the date of such meeting, the same as if they had sold their interest on that day.

15.—That Bank of England notes only be issued.

16.—That if directors or auditors should omit the transfer of accounts, or refuse the inspection thereof, as provided in clauses 11 and 12, they shall forfeit the whole of their interest in the bank, and be disqualified from acting in their respective capacities.

ON THE EFFECTS OF THE USURY LAWS ON THE FUNDING SYSTEM.

By WILLIAM NEILSON HANCOCK, *Professor of Political Economy, Trinity College, Dublin.*

THE system of funding, by which the greater part of the enormous national debt of England has been created, is that of granting perpetual annuities of £5, £4, or £3, redeemable on the payment of £100. These annuities are called respectively the 5 per cents., 4 per cents., and 3 per cents. The annuities are sold in the market, and the price is what is called the price of the funds. There could be no objection to this mode of borrowing if the Government always contracted loans in whatever fund was at par, or, in other words, if they granted perpetual annuities of the amount of the market rate of interest at the day of borrowing, redeemable on payment of £100. But, unfortunately, this practice has not been pursued, and the system of contracting for loans by granting annuities, which were not at par, began in the reign of Queen Anne, and has been on most occasions pursued ever since.

I have constructed the following tables for the purpose of illustrating the effect of this system of funding on the terms of redemption, and the present annual charge on account of two loans contracted in the American war, and two loans contracted in the French war, with the analogous results for the entire national debt. The statements which form the basis of the tables, are taken from M'Culloch's work on 'Taxation and the Funding System.

The inspection of these tables naturally suggests two subjects of consideration. First, How can the adoption, and, above all, the continued adherence to so fatal a system, be accounted for? Secondly, Is the loss arising from this system of funding irremediable? In answer to the first of these questions, I purpose to point out *one* of the causes by which the adherence to this funding system may be accounted for—namely, the usury laws.

	TERMS OF REDEMPTION.			ANNUAL CHARGE.			
	Funds Created.	Amount.	Loss on Terms of Redemption.	Amount Created.	Reduction now made.	Possible Reduction.	Annual Loss.
I. Loan of £12,000,000 in 1781.	3 per Cents.	£18,000,000	....	£540,000	nil.	—	—
	4 per Cents.	3,000,000	....	120,000	£22,500	—	—
II. Loan of £13,500,000 in 1782.		£21,000,000	£9,000,000	£660,000	£22,500	£300,000 nearly.	£275,500 nearly.
	3 per Cents.	£13,500,000	....	£405,000	nil.	£200,000	—
	4 per Cents.	6,750,000	....	270,000	£50,000	140,000	—
	Long Annuities terminable.	....	....	118,125	—	—	—
III. Loan of £17,000,000 in 1788.		£20,250,000	£6,750,900	£793,125	£50,000 nearly.	£340,000 nearly.	£290,000 nearly.
	3 per Cents.	£34,000,000	....	£1,020,000	nil.	£500,000	—
	Long Annuities.	....	....	40,000	—	—	—
IV. Loan of £36,000,000 in 1816.		£84,000,000	£17,000,000	£1,060,000	nil.	£500,000 nearly.	£500,000 nearly.
	3 per Cents.	£62,640,000	....	£1,879,200	nil.	£864,168	—
	4 per Cents.	3,600,000	....	144,000	£37,000	65,454	—
Total for entire National Debt. 1844.		£66,240,000	£30,240,000	£2,023,000	£27,000	£919,600 nearly.	£900,000 nearly.
	All Funds.	£792,339,863	£200,000,000 nearly.	£292,269,160	£2,749,169	£9,000,000 nearly.	£8,500,000 nearly.

It is one of the commonest modes of evading the usury laws to promise to pay a larger sum than is actually received. To prove that a desire to avoid the appearance of violating the usury laws was one of the causes of the present funding system, it will only be necessary to show that the successive governments were under the necessity of borrowing at a rate of interest higher than the legal rate of interest. But this can be clearly shown from facts stated by M'Culloch in his work on the funding system. "The system of funding, to a greater extent than the money actually borrowed amounted to, began," he says, "in the reign of Queen Anne."—p. 435. "The statutory rate of interest, at the commencement of the funding system, was 6 per cent., the reduction to 5 per cent. not having taken place till 1714. But owing to the supposed insecurity of the revolutionary establishment, *the rate of interest paid on loans to the public, previously to the accession of George I., was generally much higher than the legal rate.*"—p. 427. Thus we see the motive of avoiding the appearance of violating the usury laws had full cause for operation at the commencement of the funding system.

As to the American war, the loans of 1781 and 1782, were both contracted for on terms equivalent to the government paying a rate of interest higher than the legal rate. The loan of twelve millions, in 1781, was really raised at the rate of upwards of $5\frac{1}{2}$ per cent.; and the loan of thirteen millions and half, in 1782, at the rate of £5 16s. 10d. per cent. The same is true with regard to the loans in the French war. The loan of seventeen millions in 1798, was really raised at a rate of interest above 6 per cent.; and the loan of thirty-six millions, in 1815, was raised at the rate of £5 12s. 4d. per cent.

Thus we see that a debt of about £200,000,000, and an annual burden of about six millions, has arisen, in part, from a system of laws which were framed on the notion that the interference of human legislation could afford better protection to borrowers than the safeguard instituted by the allwise providence of God in the instinct of man, which, seeking only its own benefit, is so framed as, by free competition, to secure the benefit of the community. But the facts not only show the burden which we have to pay, in consequence—as to part at least—of the usury laws, but they also place the absurdity of these laws in a very strong point of view.

Thus, we see that in the reign of Queen Anne, in 1781, 1782, 1798, and 1815, the government could not borrow money at a lower rate than upwards of $5\frac{1}{2}$ per cent.; and during all that time private parties in England were prohibited by law from paying any interest above 5 per cent.

Having, I trust, shown that the adoption and continuance of the present funding system was caused, in part, at least, by

the usury laws, it remains to consider whether any part of the entailed by this system can be now remedied. It is obvious from the manner in which the loss occurred—namely, the granting annuities at 3 per cent. and 4 per cent. when the market rate of interest was 5 per cent. and 6 per cent.—that the market rate of interest should rise to 5 or to 6 per cent. the government might borrow at one of those rates, and but a great part of the 3 per cents., and so save a considerable portion of the loss. The same object might be effected to the extent if the Commissioners for the Reduction of the National Debt were authorized now to create funds of $3\frac{1}{2}$, $3\frac{1}{2}$, $3\frac{1}{2}$, and 4 per cent., and sell portions of these funds from time to time, the market rate of interest would allow them to be sold, at or near par, the produce of the sale being laid out in the purchase of 3 per cents. This plan would entail a slight temporary burden as an annual sum, in the $3\frac{1}{2}$, $3\frac{1}{2}$, $3\frac{1}{2}$, or 4 per cents., would realize as large a price as the same sum in the 3 per cents. But this is an instance stated by M'Culloch, which shows that the temporary increase of annual burden would be trifling compared with the ultimate reduction in the terms of redemption of the debt. In the year 1815, when the last loan to which I have drawn attention was contracted, 18 millions of exchequer bills were funded at the rate of £107, 5 per cent. stock, for every £100 being at the rate of £5 17s. per cent., or only 4s. 8d. per cent. more than the rate for funding in the 3 per cents. and 4 per cent. or, according to the correction of Dr. Hamilton, of 2s. 6d. per cent. for the difference between funding exchequer bills and raising 3 per cent. only 2s. 2d. per cent. of additional annual charge. Thus, if the late loan of £36,000,000., in 1815, had been funded in 5 per cent. stock as the £18,000,000 of exchequer bills were, £24,120,000. would have been saved in the terms of redemption at the trifling annual charge of £39,000. This last year would have afforded a favourable opportunity for trying this plan of reduction, if the funds were lower than they had been for many years. Even at $3\frac{1}{2}$ per cents. would sell at par. If this plan of reduction were adopted whenever the rate of interest rose, the government could reduce the terms of redemption of the national debt at a time of increase of the annual charge; and whenever there was a considerable fall in the rate of interest, they could reduce the annual charge. Nearly £3,000,000 of annual charge has been saved by the government taking advantage of the fall in the rate of interest, but I am not aware that any attempt has been made to take advantage of a rise in the rate of interest. Although the principle doing so is a simple deduction from reasoning on the subject which is well known, and has, no doubt, occurred to other persons, I do not recollect having ever seen it put forward.

**BILLS OF EXCHANGE AND BANKER'S NOTES CONSIDERED
AS THE MEANS OF EXTENDING AND STRENGTHENING
THE INFLUENCE OF CREDIT.**

CAPITAL is the prime mover of industrial enterprises, labour the working tool, credit the band which connects them, and which, for the advantage of both, renders the power of the one serviceable to the activity of the other.

Without the use of bills of exchange, credit could only facilitate commerce by distributing more advantageously among the different branches of labour the capital already engaged in it. But the employment of bills of exchange calls to the aid of industrial enterprises, besides the capital already engaged in them, that which has never been engaged, or which had withdrawn itself from them; causes the possessors of capital, themselves unengaged in any labour, to be led by their interest to seek its profitable investment in the indirect encouragement of the labour of others; while at the same time it increases the facilities of commerce by enabling the merchant to reap benefit from the credit which is given him without sustaining injury by the credit which he gives, and thus imparts to him a power of giving to his enterprises an extent which has no other limits than the confidence reposed in his character and the amount and price of the capital applicable to be advanced in the way of discount.

The augmentation of that amount, and diminution of that price, are obtained by a subsidiary invention, that of banker's notes. It is evident that if the amount of the bills to be discounted, or the credit required by commerce, exceeds the amount of capital destined for discounting, that is, the sums which either discounting capitalists, or those associations known under the name of Banks of Discount, are able to employ in discounting, credit has not a sufficiently extensive field of action; and that the balance between the demand and the supply being lost, the rate of interest, or in other words the price of the hire of capital, must necessarily rise, to the great detriment of those who borrow, and that they will not be able to borrow as much capital as by their labour they could immediately put in action. Thus the development of industrial enterprise is impeded or prevented; now, the most necessary condition for the prosperity of commerce and manufactures is for them to have full scope. Credit in this case is confined within bounds; now it is of the very essence of credit to have none, or at least only those which limit the commercial powers of the country.

To remove this obstacle it was necessary to open to banks themselves a means of credit similar to that which they presented

to capitalists; it was necessary to place them in such a situation, that it would not be by their real capital alone that they would co-operate in aiding commerce, but also by the supplementary capital they could procure by their credit; it was necessary to open up to them a new channel, by means of which they might draw into the circle of industrial action an amount of capital still greater than that which, by association, they were already provided with; it was necessary, in short, that this means of credit should have such an elasticity that it could adapt itself to all the movements of commerce, and expand or contract proportionally to its expansion or contraction. That result has been obtained by the power given to banks of circulation to issue notes payable at sight to the bearer, convertible at will into specie, and exactly equivalent to specie, as long as the public has confidence in the establishment which issues them, with this advantageous difference, that they are easier to count and to carry, that their value is not susceptible of any alteration, and consequently that their use is more economical and at the same time more convenient than that of specie.

It is enough, in fact, that a bank be provided with a capital proportioned to the importance which its business is capable of reaching, and that the public have an entire confidence in the integrity and prudence of its administration, for the notes it issues to be preferred to specie, and for commercial movement to absorb as great an amount of them as its activity and extent can employ, as soon as the evident reasons on which this superiority is founded are understood. The individual who wishes to borrow on the commercial bills which he negotiates, or on the values which he impledges, and who receives bank notes in payment of the sum he borrows, derives from this credit-money, under deduction of the expenses the bank incurs, and of the insurance against the risk it runs, the same advantage as if the payment had been made to him in specie, since he has the certainty that those to whom he in his turn has to make payments, having the same confidence as himself in this money, will receive it in preference to specie.

As to the banks, the advantages they derive from this mode of payment are so evident, that we might dispense with any explanation, were it not that we have here to put in relief a fact important for the comprehension of the mechanism of these establishments, and of the effects of credit.

It is generally believed that banks, by putting paper money in circulation, create a fictitious capital; this is an error which it is important for the character of banks to rectify. Credit has not the power of creating capital, and the use which banks make of theirs cannot by any means have such an effect. But credit

replaces in movement those capitals which have stopped, and which without its help would remain stagnant; it draws into circulation, to the aid of industrial enterprise, those funds which, were it not for its intervention, would become foreign to the commercial movement, and therefore useless; and it is in this that consists the service it renders at once to those who possess capital, and to those whose wealth is as yet only in their aptitude for labour. In issuing the value of a million of its notes, payable at sight to the bearer, a bank does, therefore, not create a new capital which till then had never existed; it only puts in circulation a million, which it really possesses, in gold, in silver, or in commercial bills, and which, without this issue, would remain inactive. On the other hand, those who receive from the bank, in payment of what it owes them, this million of notes, do not receive a fictitious, but a real value, the equivalent of which, in specie or in commercial bills, is held by the bank, and which, as long as the bank is administered with prudence, as long as its capital remains undiminished and disposable, as long, in short, as its credit experiences no shock, they are certain of being able to exchange for specie at their pleasure. The bank, in issuing this paper money, then, does no more than merchants do in paying for the goods they buy with their promissory notes; the only difference is that the notes of the merchant are payable to order, and due at a fixed time, which cannot be anticipated, while those of the bank are payable to the bearer, and due at his pleasure; a difference incontestably to the advantage of the latter; and as the goods bought by the merchant are the countervalue, and his honour and fortune the pledges of the sum represented by the promissory note which the seller has received in payment, in the same manner, the discounted bills which the bank has in its possession are the countervalue, and its capital and good administration the pledges of the sum represented by the notes which the creditor of the bank has received in payment. These notes, like promissory notes and bills of exchange, represent, then, not a fictitious and supposed but an actual and real capital. What makes this representation valid, and equivalent to the reality, and renders the bearer of these notes as secure as if he had received specie, is that the acknowledged solvency of the bank which has issued them guarantees to him that he may at his pleasure exchange them for specie, and that, by virtue of this certainty, all those to whom he has himself payments to make will receive them as specie. It is only in this sense that credit does in fact give a pecuniary value to that which appears the least susceptible of it, to moral qualities, to good faith and prudence.

If banks are much interested in putting in circulation the

greatest possible quantity of those notes, it is because, from the loan of their printed promise to pay, they derive the same revenue that they would from the loan of an equal sum in specie; because this revenue continues as long as the promise continues to circulate, and thus they can cause the values on which they already received interest to yield proceeds a second time, and thus greatly multiply the revenue of their capital.

Thus they coin and put into circulation a money, the making of which costs them nothing, and the value of which, equal even superior to that of specie, is only imparted by their credit, that is to say, by the confidence of the public that they will faithfully fulfil their engagements; and this circulation, being of itself proportional to the commercial movement, increases as it increases, and diminishing as it diminishes.

But in order that banks of discount and issue may obtain their beneficial influence in the highest degree, and in the most extensive manner, it is indispensable that they should not take interest on any deposits made with them. They can reimburse themselves for the payment of such interest by employing the sums deposited in speculations attendant on no danger, the very possibility of which is destructive of the principle previously assumed as the basis of confidence; the notes issued represent and are secured by bills held to maturity, even if they invest the deposits in Government securities, falling due at a fixed time not very remote, and in so doing obviating the risk of loss, yet as the quantity of notes which in circulation can absorb is limited, the issue of notes in the purchase of Government securities must, to a corresponding amount, prevent the issue of notes in discount of commercial bills, and thus lessen the accommodation by discount, which but for this investment in Government securities, would have been afforded to the entire amount of the circulation.

MR. BLACKER'S THEORY OF THE CURRENCY.

To the Editor of the Bankers' Magazine.

I am sorry to be obliged to trespass on your space, but I trust you will not refuse me the privilege of answering the writer of the review of my pamphlet on the Currency Question "The Evils inseparable from a Paper Currency," which has appeared in your publication of this month (May), in which I consider I have been unfairly treated.

Your reviewer commences by attempting to set aside the force of my proposition which he quotes from my pamphlet, namely,—"that an article of commodity possessed of intrinsic value cannot form the basis of any currency. Because, being of necessity, upon that account, an art-

commerce—it must, therefore, be *changeable* in its own value according to the law of supply and demand, and, of course, it never can become an *unchangeable* measure of the value of other things which a perfect currency ought to be.”

The truth of this proposition is too self-evident to be denied, but the reviewer sets it aside by saying, that no person ever supposed that gold was a perfect standard of value, and that the precious metals were only adopted as such “as being found by universal experience to possess the greatest relative perfection.”

I pass over the reviewer's unfair assertions, that I intended to ridicule Mr. Lloyd and his supporters, and also, that I built my argument upon “the use of certain terms in a sense entirely different from what they bear in the mouths and in the writings of all other men,” and also his many taunting allusions to myself personally, as they are not of importance to the decision of the question at issue, and I proceed to examine what claim gold now has to be considered as possessing the “greatest relative perfection” as a medium of exchange, and measure of value for all other commodities; and also what weight can be fairly considered in the present day to attach to the fact of the universal experience of all nations having given a verdict in its favour as being best adapted for that purpose in times past.

There can be no doubt, I think, that at the time the precious metals were first adopted as the medium of exchange, and measure of value, they were better calculated to perform that duty than any other commodity whatever that could have been selected, and the argument would be most convincing and conclusive, could it be shown there was any analogy between the state of trade in the days of its adoption, or for many centuries afterwards, and the state of trade at present in the times in which we now exist.

No one, I presume, will be absurd enough to contend, that because the precious metals formed the best currency that could be made available under one state of things, they must on that account be considered the best currency to adopt under another state of things, totally and entirely differing therefrom.

To show, therefore, that the circumstances under which commerce is carried on at present bear no analogy whatever to the circumstances under which commerce was carried on in those times when this preference was given to the precious metals, I have merely to state what every one will be ready to admit, that commerce in those remote times, and for centuries after, was neither more or less than *simple barter*. The articles exchanged were exchanged upon the spot, and the advantage the precious metals possessed, particularly gold, in its great portability and the universal estimation in which it was held, naturally recommended it as the best medium of exchange that could be devised; but as commercial transactions, in process of time, attained to a wider range and a more extensive character, the purely metallic currency was found more and more defective year by year, and endeavours were made, by the formation of banks, and the issue of bank notes representing gold and silver, and payable therein on demand, to make up for the inconveniences and deficiencies to which a purely metallic currency was found to be subject.

Still, however, though inconveniences continued to be felt, the belief prevailed that the convertibility of these notes into the precious metals, at all times, was indispensable to their safe adoption;—a belief which has been almost universally concurred in up to a period bordering upon the present times, when the bad effects of this system of mixed currency began to be, almost periodically, more and more severely felt; in consequence of which many thinking persons have begun to wish that the whole system should be thoroughly investigated, with a view to do away with convertibility entirely.

At the same time, notwithstanding all the faults to which the mixed currency has been found justly liable, it cannot be denied that the augmentation of capital obtained by the partial introduction of bank notes into use, gave a stimulus to commerce, and afforded such great additional facilities for more extended

transactions, than had been possible under a purely metallic currency; that under its influence an increase of foreign and domestic trade, and an augmentation of manufacturing industry, has grown up to an amount which strikes with astonishment the generation now existing, and which would have been thought perfectly unattainable by the generations which have passed away, had it been proposed to their contemplation. Together, however, with the prodigious growth of commercial transactions, there has grown up with it a *system of credit* upon which all this extended traffic is based, and without which, I think, it will be universally acknowledged that this traffic could not be carried on; for we see that when credit it materially shaken, the whole commercial fabric which has been built on its foundation falls to the ground.

Now it is universally admitted that it is the *denial of discount* which thus injures credit and leads to these fatal results, and that this denial of discount is caused by the gold basis of our present mixed currency, which renders it imperative upon the Bank directors to refuse discounts whenever they find a drain for gold, to any serious extent, is taking place.

I therefore ask the reviewer, and I demand an answer—is it any good argument to induce us to submit to such repeated calamities as the gold basis is almost periodically inflicting in the manner I have just pointed out—to say that the universal experience of past times justified its adoption, under circumstances entirely dissimilar to those under which we are now placed?

There can be but one answer returned to this question, and that answer must be in the negative.

The reviewer's argument for a metallic basis, grounded on the universal experience of past ages, having been shown (as it appears to me most clearly) to have no weight whatever under the altered circumstances of the present day, it becomes not less our duty than our interest to investigate most carefully what changes in our currency laws are become necessary, under the altered circumstances in which we now live, and whether any remedy can be devised to secure us against the evils to which those currency laws, at present most notoriously render us liable.

My object, therefore, in the currency pamphlet which has been reviewed, was to show that a national inconvertible paper circulation, under the management of parliamentary commissioners, which should be only issued in the re-discount of mercantile paper sent in by the commercial banks, would supply, under certain regulations, a currency which would be equal in value to the true standard of the present mixed currency, in its purchasing power over commodities, and would also be a more steady measure of value and a more cheap and convenient medium of exchange than that now in use, besides being free from the great objection to the present currency, namely, that it is certain to produce a denial of discount when a drain of gold from any cause may take place, which denial of discount our present "*universal experience*" tells us, almost periodically paralyses every branch of trade and manufacture, and brings merchants and manufacturers to bankruptcy and ruin, and our working classes to starvation or the workhouse.

In proceeding to establish the truth of the above mentioned advantages as being inherent in an inconvertible paper currency, I presume it will be unnecessary for me to say any thing in proof of its being the cheapest and most convenient medium of exchange, which is universally admitted. The propriety of its adoption, therefore, will depend upon its being a steady measure of value, and a practical remedy against the evils arising from a denial of discount, to which I have just alluded.

In support of my opinions in these respects, as far as theoretical arguments can be relied on to establish them, I beg to refer to sundry propositions which I have laid down in the pamphlet reviewed, from which I select the following:—

The first proposition I shall refer to is this,—that the *market price* of all commodities is determined, on the one hand, by the supply of, and demand

for the article itself, combined, on the other hand, with the abundance or scarcity of the money or currency in the market to purchase it.

I deduce from this that in order that any currency (be it what it may), shall be a *steady measure of value*, the amount of that currency should always bear the same proportion to the amount of commodities to be exchanged through its instrumentality; which is merely saying, in other words, that the supply of currency must conform itself to the wants of trade.

This deduction is fully confirmed by every day's experience, for when money is scarce every one knows that the market prices of commodities fall; and *vice versa*.

Secondly. The foregoing proposition being undeniable, the next proposition I refer to is, that any commodity which is of *first necessity*, or the use of which is indispensable, must always be more or less valuable according to its greater or less abundance or scarcity.—As for example, water, which from its abundance is generally considered of no value, yet when sufficiently scarce, becomes of greater value than gold itself.

From this I deduce, that if a national inconvertible paper is made the *only legal tender* by law, it will then become an article of *first necessity*, and, of course, its value will in like manner depend on its abundance or scarcity, and, therefore, according as the issue of it may be more or less contracted, it may be made equal in value to any required standard.

The truth of this proposition is admitted by the reviewer, page 300 of your Magazine, in regard to inconvertible paper, and he owns that the only material objection to its adoption is the difficulty he apprehends in regulating its issue. I proceed, therefore, to show, according to the following proposition, how this desideratum can be accomplished.

Thirdly. The entire amount of any currency which can be absorbed or kept afloat in any country, will depend on the *term* and *rate* of discount, and the *extent* and *activity* of trade in existence for the time being.*

In proof of this I have only to refer to the constant practice of the Bank of England directors. When they wish to contract the currency, they *shorten the term* and increase the *rate of discount*, and when they want to augment the currency, they *lengthen the term* and *lower the rate*. It is therefore evident, that between the two extreme limits of extension and contraction, there must be a *medium term* and *rate* which would so contract the currency as to make the inconvertible paper of any value required, and thereby secure the desideratum sought for by the reviewer. To show, however, how this value may be permanently maintained, I further deduce from this proposition, that as the currency kept afloat in the hands of the community depends on the three things stated in this proposition, it follows, of course, that if any two of them are unchangeable (for example, the *term* and *rate* of discount), then the variation in the amount of currency which will at all times or at any time be absorbed by the public, will depend on the variations which may take place in the *third* regulating item, *viz.* the extent and activity of trade; and, therefore, it appears that by simply fixing an invariable *term* and *rate* of discount, the currency would always expand or contract according to the wants of trade, preserving thereby a steady proportion between the amount of currency and the amount of commodities to be exchanged by its instrumentality, and of course proving itself on that account a *steady measure of value* according to the first quoted proposition, and would, of course, become, to all intents and purposes a self-regulating currency of *any specific value required*. But in this respect I propose that it should be made conformable to the *true standard* of our present mixed currency, by which means all

* It is to be observed that the interference of Government with the issues is strictly prohibited as much as it now is in the management of the mint.

existing contracts would remain entirely unaffected by its adoption. What this *true standard* of our present currency is I have particularly explained in the letter sent herewith, which I call upon you, as an act of justice, to publish in connexion with the foregoing.

Now, your reviewer having had the foregoing propositions before him in the pamphlet, and the illustration of their practical working in the letter just alluded to, how does he attempt to set aside the deductions in favour of a national inconvertible paper currency which naturally follow from them? Does he deny that this inconvertible currency can be made of any desired value by merely contracting its issue? By no means. He *clearly and fully admits that fact, page 300 of your Magazine*. But if this is admitted, then the possibility of duly regulating the issue, is the only really important point in dispute, and in this respect, when he notices my assertion that no overissue can take place beyond what the wants of trade requires, he is obliged to confess that the highest authorities agree with me in opinion; and although he himself expresses dissent on his own part, he has not given any satisfactory reason for so thinking; nor has he attempted to deny the truth of any one of the propositions which I advanced in proof of my assertion; and if these propositions can't be controverted the impossibility of over-issue is established.

As to what the reviewer advances in regard to the increase of bills in times of speculation and prosperity—it is no argument against me, for the very same thing happens now, and must ever happen under any currency, and in such times the said bills can always be got discounted, perhaps on more favourable terms than I propose. The only question, therefore, to be determined in regard to this objection, applying equally, as far as it is an objection, to all currencies alike, is this, whether it is preferable to adhere to the present mixed currency, which periodically *tempts people to imprudence*, by the extravagantly low rate of discount which at times it produces, and when they have thus been involved in extensive engagements, withdraws all mercantile accommodation and leaves them to their fate, or to change to a system which preserves a *medium term and rate of discount* at all times, on which the merchant can safely rely, and can shape his proceedings accordingly? (As it appears to me, there can be little doubt or hesitation in deciding this question.)

With this knowledge of the accommodation he has to depend on, if the merchant acts foolishly, and enters into speculations beyond his means, he must suffer for his folly in this respect, as he must in all the other transactions of life; but he can only blame himself, and not the currency, which latter many might with justice do, in regard to the mixed currency now existing.

As I know it would be unreasonable in me to expect you could afford me sufficient space to follow the reviewer through all his reasonings, I shall further notice only what he seems to consider a triumphant refutation of what he terms Mr. "Blacker's great point."*—page 304.

In regard to this it is only necessary for me to state, that his entire reasoning is built upon the *assumption* that the inconvertible paper currency has been depreciated, which, if he will carefully read the part he refers to, he will find not to be the cause, and therefore his entire argument falls to the ground. The mistake lies in his concluding that the appreciation of gold can't take place without the inconvertible paper being depreciated (see page 299); but he will see, in the accompanying letter, that the appreciation of gold, under an unfavourable exchange, is measured by the advance which thus takes place in its purchasing power over commodities, compared with what it possessed when exchanges were at par. According to the doctrine of the reviewer,

* I shall perhaps take another opportunity of examining into the truth of his minor criticisms.

If gold advanced to £5 per oz. under an inconvertible paper currency, this would be *proof positive* that the latter was depreciated to that extent; but he seems to have overlooked, that in my statement the inconvertible paper maintains the same purchasing power over all commodities (gold excepted), *that it possessed when exchanges were at par—at which period he cannot deny that the inconvertible paper was equal to gold—and this value, as regards all other commodities, it must still continue to possess*, by its issue being maintained at the same degree of contraction, and of course in the same relative proportion to commodities, according to the first proposition quoted. Therefore, the rise in the price of the simple article of gold, is *proof positive to the exact contrary of what he supposes*. For if it was the inconvertible currency that was depreciated, the market prices of all commodities would advance *pari passu* with gold: but the *advance of gold alone* under any adverse exchange, decidedly proves it to be a real appreciation in its own value, for the price of all other commodities, in place of advancing with the price of gold upon these occasions, invariably declines, which shows that the *individual advance of gold* in value under an adverse exchange is a *bona fide increase in its own purchasing power, conferred upon it, which it did not possess at the starting point, viz. when the exchanges were at par*.

Notwithstanding I have taken all possible pains to make myself clearly understood; unless the reader will give that attention in the perusal which the study of so difficult a question is admitted to require, it is scarcely in the power of language to make the matter fully and generally comprehended; and in the case of persons who have not previously turned their attention thereto, it is not *one* reading, or even *two*, that will leave all the bearings of the question fully impressed upon their memory.

I shall now conclude by assuring the reviewer that I am a sincere and anxious inquirer after truth in regard to this momentous subject. I trust, therefore, he will have the goodness to state in your columns what those particular statements or arguments are which he has characterised as being "transparently and ludicrously false;" and if he can prove them so I beg to say I shall most readily acknowledge my error, as I trust he will on his part now do in regard to what he denominates my "great point;" in respect to which, I can't help thinking, if he reads the foregoing observations, he must be sensible that he has been most completely mistaken.

I am, Sir, &c. &c.

WM. BLACKER.

Armagh, May 19, 1848.

ON THE PRESENT STATE OF BANKRUPTCY OF SOME OF THE IRISH SAVINGS' BANKS.

THE system under which Savings' Banks have been carried on, has not been more severely tested throughout the United Kingdom, since their establishment in 1817, than during the last and present years.

While, in Great Britain, a monetary crisis and consequent depressed prices, followed by a serious interruption to home and foreign trade, arising from political commotions of more than ordinary importance and extent in several states on the continent of Europe, have led to withdrawals of deposits from Savings' Banks, far exceeding in amount those of any previous period of political panic or commercial distress;—in Ireland, not only have the same causes operated in producing the same effect but there

has been a scarcity of food, and a violent domestic agitation in addition; and as if these evils were not of sufficient magnitude to contend with at one time, the discovery is made and promulgated that some of the Irish Savings' Banks are now in a state of bankruptcy.

The fact of a defalcation in the funds of a charitable institution, whatever may be its nature, should be promptly attended to on the part of the competent authorities, and all the circumstances connected with it most rigorously investigated, in order that justice may be rendered to those who have been attempted to be defrauded, and that the confidence of those who are interested in similar institutions may not be shaken, but rather secured by a timely publication of all the details of the origin and progress of the deficiency,—and if possible by the punishment of the delinquents. This recommendation and course of procedure apply with additional force to a Savings' Bank, which is supposed; whether erroneously or not it is immaterial now to inquire, to be the receptacle for the small and hard-earned savings of the humbler classes of the community.

As regards the measures directed by the legislature to be taken for the prevention of frauds on the part of Savings' Bank officers, such measures must be altogether ineffectual so long as the slightest facility is afforded for preparing and rendering fictitious statements and accounts. That this facility exists is evident from the number of frauds which have been brought to light within the last few years; and no remedy against their repetition will be found so efficacious and successful, *as the appointment of District Inspectors*, on the part of the government, to examine personally the books and vouchers of every Savings' Bank, and enforce the adoption, by the officers of the banks, of such regulations and system of accounts as will prove, without doubt or difficulty, the correctness of all their pecuniary transactions.

Until some such plan as this be carried out under the direction of Parliament, there will be no real security for the funds of the depositors in Savings' Banks, the government being responsible for that portion of them only which is paid over to the Commissioners for the Reduction of the National Debt, and the Trustees and Managers being expressly exempted by the 6th sec. of 7 and 8 Vict., cap. 83—9 August, 1844—from every liability to make good any deficiency in the funds of any Savings' Bank, unless they have agreed in writing that they are willing so to be answerable, and their responsibility so incurred being limited to such sum as may have been specified in such instrument.

The evil of suspicion even, whether well founded or not, was most strikingly exhibited during the year 1846, in the case of the Cuffe Street Savings' Bank, Dublin, the capital of which, in

the hands of the National Debt Commissioners, was reduced, by the withdrawals of the depositors, between 20th November, 1845, and 20th November, 1846, from £180,814 to £46,288; and this capital was still further reduced during the year ended 20th November, 1847, to £33,287.

The withdrawals of the depositors having since continued, and the capital belonging to them, which had been invested with the National Debt Commissioners, being found insufficient to satisfy their claims, the stoppage of the bank ensued in the course of the last month, and the trustees have published a statement, showing that the bank has been insolvent since 1831, when Mr. Dunne, the then officer of the bank, absconded with a large portion of its funds.

A more monstrous piece of imposition than that disclosed in the statement is hardly to be conceived. A public institution, founded for philanthropic purposes, is discovered as far back as the year 1831 to be in a state of bankruptcy—the National Debt Commissioners, as the agents of the government, were informed of the fact—they depute their law officer to proceed to the scene of the transactions of the bank,—and that law officer, acting of course under their instructions, actually advises, as it appears by the statement of the trustees, that the bankrupt institution should be kept open in the hope that, by a species of delusive trade and speculation (for, under the circumstances, the continuing to receive deposits from the industrious classes can be little else), sufficient profit might be realised in the course of time to make good the deficiency by fraud in the value of its assets.

The original defalcation, the amount of which is not stated, must have been very considerable, or little progress could have been made in realising the required profits by a per centage upon the amount of the previous and of any additional deposits, up to the year 1844, because, according to certain papers presented in 1845, on the motion of Mr. Hume, to the House of Commons, but unfortunately never printed, it appears that, while the

Amount of the liabilities of the trustees of the St. Peter's parish, Dublin, Savings' Banks to the depositors, on 20th November, 1844, was	£262,001	19	7
The assets, consisting of sums invested with the National Debt Commissioners, amounting, with interest, to £241,270 15s. 11d.; and of a cash balance in the hands of the bankers of £466 19s. 10d., were only	242,437	15	9

Leaving an actual deficiency in the amount of the assets to meet the claims of the depositors, of £ 19,564 3 10

From 1844 to 1848, the bankrupt institution still continued

to struggle on—those acquainted with its actual position having the power of backing out whenever they might please, leaving the ignorant and unwary to be the eventual losers—until the demands of the depositors during the present year became of such an amount as to occasion a complete drain of the funds in the hands of the National Debt Commissioners and of the Bankers, and obliged the trustees to close their doors against those depositors who were unsuccessful in the scramble to obtain the repayment of their money.

THE KERRY AND TRALEE SAVINGS' BANKS.

It is stated that Mr. Pratt's award will charge the whole body of trustees and managers with wilful neglect of the Kerry Savings' Bank, which, it will be remembered, was compelled to suspend payment a short time since, in consequence of the fraud of one of its chief officers.

The principal point now at issue is the liability of trustees and managers for lodgments made since the 9th of August, 1844. Should Mr. Pratt pronounce in favour of the trustees and managers, their liability will be less than 10,000*l*. If against them on that point, but against the depositors in cases of excessive lodgments, the liability of the bank will be something about 27,000*l*. He has given no decision yet on the cases where a lodgment within twelve months, computing from the 20th of November to the 20th of November following, has been made of more than 30*l*., and where nominees and trustees have lodged as veritable owners. Should the decision be adverse to these parties, the liabilities will not exceed 6,000*l*. or 7,000*l*.

Mr. Tidd Pratt has written to the editor of the *Freeman's Journal*, complaining of some misrepresentations of its Tralee correspondent. He says:—

"I am not the arbitrator appointed by the government, as you would imply; but appointed under the 9th Geo. IV., c. 92, in the year 1828; and the order of settling disputes by arbitration will be found in the rules of every savings' bank.

"In England there is no '*supervision exercised over Savings' Banks by authorized officers who make periodical visits*,' any more than in Ireland. The trustees and managers also in both countries have the sole control and management of their liabilities.

"With respect to the deficiency at Tralee, your correspondent is in error. The amount is about 34,000*l*.; but so far from having reduced the claims of the depositors to some 10,000*l*., I beg to say that *I have not made any award, or come to any decision on a single case*; nor is it likely that I shall be able to make

any awards, which at Tralee and this place will exceed 1,600*l.*, in less than three weeks or a month.

"One word as to the class of depositors. Your readers will perhaps be surprised to hear that at *Tralee* their *average amount* is 40*l.* per account, and at this place they will exceed 50*l.* I have had claims from the same depositor of sums amounting to 1,000*l.*, from another to 800*l.*, from another 650*l.*, 450*l.*, 320*l.*, &c., &c.; and at no savings' banks in the United Kingdom have I found so great a number of what I consider large accounts."

The absolute losses to the depositors in the *Tralee Savings' Bank* will amount, it is believed, to 30,000*l.*

BILL STEALING.

[From the *London Protection Society's Circular*.]

NOTWITHSTANDING the magnitude of the machinery constantly at work to diffuse information to the public of the affairs of the day, it is common to find the greatest ignorance concerning the most notorious facts. Cotemporaneous with the exposure and publicity of swindling machinations, the very same schemes are in triumphant action, and it is only by systematic and well devised efforts that much good can be realised. The society, of which this circular is the organ, has been very successful in protecting its own members against a variety of frauds, by which the public have been victimised, and the committee confidently expect that this publication will render important services, not only to its subscribers, but to the community at large. Part of the design is to keep attention constantly alive to fraudulent schemes, and prevent, so far as possible, either ignorance or forgetfulness from assisting the proceedings of swindlers. With this view we shall briefly explain a few facts relating to bill stealing, well known long ago to all our members, well known also, to a large portion of the public, but still sufficiently unknown to afford several gangs of scoundrels abundant field for nefarious exertion. The first step is to put into the daily or other papers, advertisements, pretending to offer loans of any amount to noblemen, officers in the army or navy, clergymen, dissenting ministers, or others, on personal security, accompanied sometimes by a kind proposal to take ladies' jewellery as security. The fashionable world receive the polite offer through the columns of the *Morning Post*, while the clergy and dissenting ministers are caught in the pages of religious newspapers and magazines. The advertisement leads to a

correspondence with a "Mr. H." or some other dishonest initial, and the victim is persuaded to accept bills for which consideration is promised, and of course not given. Considerable tact is exhibited in some of the correspondence, and in the cases of the clergy, pretended honour, and an appearance of the most fervid piety, are mixed in convincing proportions. In some cases errors are pointed out in the first acceptances, and duplicates obtained on promise of destroying the former, or representations of their being of no value. Sometimes a promissory note at a short date is sent to the borrower, drawn and accepted by members of the gang, often under fictitious names. Numerous are the schemes by which parties are prevailed upon to wait with more or less patience until the unfortunate period arrives when their acceptances become due, and when payment is enforced, although often in cases where the extensive knowledge possessed by the society would have enabled them to have successfully defended an action, or to have indicted the gang at the Old Bailey for conspiracy. It is not long since that the solicitor of the society, acting in concert with an eminent firm in the city, obtained an important success over a notorious gang, and we recommend that all persons defrauded by bill stealers should transmit the particulars of their cases to the secretary of the City of London Trade Protection Society, accompanied by the original correspondence, the autographs of the swindlers being of great use. When this is done the society is able to co-operate with the solicitors of the victims in a very efficient manner.

An important object with bill stealers is to get the acceptances discounted by some persons of respectability, or making a respectable appearance, and very great pains are taken to accomplish it. We cannot here help remarking on the culpable facilities which many persons afford to this part of the scheme. Many tradesmen, whose position in society should compel a more careful mode of doing business, are in the habit of discounting bills brought to them by agents of no responsibility, partly for goods and partly for cash, confining their enquiries to the responsibility of the acceptors only, with a most culpable indifference to the other names on the bills, or to any considerations of how they were obtained. To say the least of the matter, such persons lay themselves open to be made receivers of stolen goods, and cannot be acquitted from the charge of facilitating fraud. It is a practice deserving of the strongest reprehension, and it will shortly be seen whether juries will lend their aid to parties who so conduct themselves, as there are several cases now pending in the courts of law in which the question will be raised on the part of those who have been defrauded of bills. It is a matter of regret that the columns of respectable newspapers should be made

the vehicle for advertisements of known swindlers. Nothing can be further from the wishes of their proprietors than that this should be the case, and we trust that with their assistance to the exposures that will from time to time be made in the Circular, we shall be able greatly to mitigate the evil, and defeat its object.

THE UNION BANK OF CALCUTTA POST BILLS.

THE last advices from India bring us further information respecting the disastrous condition of the Union Bank. "Judgment has just been given in the Supreme Court, Calcutta, on the validity of the Bank's Post-Bills, in direct opposition in most points to the opinion of counsel. The court is of opinion that the bills are promissory notes on the part of the proprietors of the bank, not bills of exchange: and this settles two points at once. Though they are directly forbidden by the deed of settlement, long practice in recognizing them in the course of dealing renders them valid, and binds the whole body of the shareholders without the proof, recognition, or ratification, of each. Should this decision stand steadfast, responsibility to the extent of sixty lacs of rupees is re-imposed on the shoulders of the shareholders, of which they at one time hoped to have shaken themselves free. We have, besides the decision in question, a further report of the committee, from which it appears that the bank, finding no way of *compelling* shareholders to come forward with voluntary contributions, have "confessed judgments" to creditors of the bank to the extent of seventeen and a half lacs, thus enabling the creditors to proceed direct by action against the individual proprietors. The committee have no authority or control as to which proprietors should be first pursued by the creditors: they can however submit lists of those who have responded to the call for contributions, and they propose publishing the names of those who have responded in full, in part, or not at all; and the last will, we should imagine, be the parties selected for prosecution. They will, says the *Bombay Times*, find that it would have been infinitely better for them at once to have submitted to their fate—to have contributed gracefully and of their own accord, that which they will now be compelled to contribute whether they will or not.

"The total amount received in shape of contributions is Rs. 1,22,500; on account of loan Rs. 1,23,500; showing that the collections on the former have only been Rs. 26,000, on the latter about Rs. 20,000 within these six weeks. It is unfortunate, for the sake of retributive justice, that the majority of those by

whom the bank seems to have been plundered, have already got into the *Gazette*: the property they appropriated had the usual attribute of "ill-gotten gear"—it did them no good. The shareholders on whom the rod of retribution ought to have descended are beyond its reach—to prosecute the bankrupt is to send good money in quest of bad; and it is to the solvent, who have had comparatively few of the good things agoing, that the incensed creditors must turn. The long protracted arrangements, the unintelligible explanations, the tedious and teasing wearying out of the flesh, that must be looked for before anything like a conclusive winding up be attained, is distressing to contemplate; and they may think themselves fortunate who are not only beyond the reach but relieved of the contemplation of scenes of suffering such as the shareholders of the Union Bank must endure."

The journal above quoted further says, that "the soundness of the views of the court seem generally acquiesced in, though at variance with the opinions previously given by counsel. This will maintain or extend the responsibilities of the shareholders in proportion as it protects the interests of the bill-owners. The prospects of the bank seem to darken on every side: the shareholders hold back in stolid apathy, while the creditors are beginning to push their claims with relentless determination. The debtors of the bank, and those who have literally made away with a couple of millions of its funds, are treated with a gentleness and forbearance which contrast singularly with the warmth with which the unhappy shareholders are urged on. Mr. Ayrton, attorney, has been sent round by the commercial bank of Bombay, to insist on early payment of the 40,000*l.* of its funds appropriated to their own use by the Union Bank when sent to them for the purchase of bills on England. The members of the Calcutta bar have unanimously refused to hold briefs along with Sir Thomas Turton, one of those most deeply implicated in the bank transactions. Sir Thomas was, it may be remembered, secretary to Lord Durham in Canada in 1838: he was a barrister of much repute and high practice. Shortly after his return to India, he became ecclesiastical registrar of the supreme court, with a salary of 6000*l.* a year. While in this position he speculated largely with the funds committed to his charge—the deficits amounting to some 50,000*l.* On these coming to light he resigned his appointment, with a view of resuming practice at the bar, when his brethren refused to accept of briefs along with him. Mr. Grant, son of the late chief justice Sir John Peter Grant, seems to be in not much better favour, and for kindred reasons."

The *Morning Herald* says, with reference to the proceedings respecting this bank:—"The intelligence received by the Indian

Mail has led to many painful reflections in the commercial circles. The decision of the Supreme Court of Calcutta, holding the shareholders of the Union Bank responsible for the post bills issued by the directors, is universally admitted to be founded upon the strictest principles of equity in commercial dealings, although it will prove disastrous to many innocent parties. Indeed, the manner in which the affairs of that institution have been conducted exhibits a case of moral depravity without any parallel in the history of joint-stock banking, as it fairly overtops the worst cases that have occurred in England, and it is questionable if it was surpassed by any of the concerns that have exploded in the United States. It will be the ruin of a great number of the shareholders resident at home, and we are very sorry to understand that amongst them are included a good many retired Indians, and the widows and families of others whose 'all' has perished in the vortex. A very strong opinion is expressed, that if the law does not already provide for subjecting the delinquent directors to some severe penal consequences, it is high time that such a law was made, if the mercantile character of the country is worth preserving. It is a perfect farce in jurisprudence to compare the trials and punishments inflicted in our criminal courts with such wholesale robberies, where the delinquents not only escape without punishment, but in too many instances are permitted to resume nearly their former position in society."

The following statement of the issue of the Union Bank post bills is given by *The Englishman*. (Calcutta.)

	Rs.		Rs.
1841. January 17th	6,57,243	1845. January	not stated
1841. July 19th	5,44,225	1845. July 19th	4,58,718
1842. January 17th	1,73,975	1846. January 20th	2,73,045
1842. July 18th	not stated	1846. July 16th	10,77,378
1843. January 21st	ditto	1847. January 14th	13,51,777
1843. July 17th	1,60,000	1847. July 17th	27,72,166
1844. January 18th	2,49,906	1848. January 17th	28,75,000
1844. July 20th	3,48,128		

HIGHEST AND LOWEST PRICES OF THE FUNDS (CONSOLS). FROM 1789 TO 1848, INCLUSIVE.

We have compiled the following interesting Table of the fluctuations in Consols, in each year, from 1789 to the past year inclusive, from *Van Sommer's Tables of the Funds*, referred to in our last number. The annexed Table gives the date in the respective months of each year, when Consols were at their highest and lowest quotations. Mr. Van Sommer, in his work, notices the cause of these changes, and adds other particulars interesting to those who require an exact history of the funds.

Highest and lowest Prices of Consols in each Year from 1789, with dates of quotation

Year.	Date.	Price.	Year.	Date.	Price.
1789	{ 15th September	81½	1819	{ 23rd January	71½
	{ 29th January	80½		{ 26th May	80½
1790	{ 23rd April	70½	1820	{ 2nd June	89½
	{ 10th May	89½		{ 28th September	75½
1791	{ 6th September	75½	1821	{ 22nd October	97½
	{ 28th March	97½		{ 17th January	72½
1792	{ 16th March	81	1822	{ 26th October	70½
	{ 3rd December	70½		{ 21st January	72½
1793	{ 9th April	72½	1823	{ 21st December	61
	{ 12th February	62½		{ 1st March	70½
1794	{ 2nd January	70½	1824	{ 28th April	52½
	{ 16th December	67½		{ 7th January	67½
1795	{ 16th December	60	1825	{ 5th January	60
	{ 23rd January	70½		{ 20th December	70
1796	{ 12th January	53½	1826	{ 18th November	54½
	{ 30th December	47½		{ 14th February	79
1797	{ 17th January	58	1827	{ 1st August	66
	{ 1st June	47½		{ 19th January	73
1798	{ 7th November	69	1828	{ 12th September	50½
	{ 23rd August	52½		{ 6th January	58½
1799	{ 3rd September	67½	1829	{ 29th December	64½
	{ 29th January	60		{ 19th January	57½
1800	{ 29th September	70	1830	{ 1st January	69½
	{ 14th October	54½		{ 8th November	62½
1801	{ 26th January	79	1831	{ 31st May	57
	{ 6th April	66		{ 9th March	64½
1802	{ 22nd January	73	1832	{ 1st June	58½
	{ 6th May	50½		{ 21st January	64½
1803	{ 28th July	58½	1833	{ 7th June	57½
	{ 6th December	53½		{ 17th January	69½
1804	{ 6th January	62	1834	{ 13th May	62½
	{ 14th January	57		{ 17th January	70½
1805	{ 8th April	64½	1835	{ 24th April	63½
	{ 4th August	58½		{ 26th August	61½
1806	{ 1st December	64½	1836	{ 5th January	63½
	{ 17th November	57½		{ 22nd December	61½
1807	{ 23rd January	69½	1837	{ 2nd December	61½
	{ 17th June	62½		{ 6th January	63
1808	{ 7th January	70½	1838	{ 31st May	55½
	{ 10th November	63½		{ 6th January	67½
1809	{ 19th January	71	1839	{ 31st May	54½
	{ 22nd May	63½		{ 3rd September	72½
1810	{ 28th September	61½	1840	{ 3rd June	61
	{ 4th January	61½		{ 8th October	65½
1811	{ 16th July	63	1841	{ 15th April	61½
	{ 7th January	55½		{ 11th October	63
1812	{ 10th July	67½	1842	{ 9th December	54½
	{ 24th December	72½		{ 13th January	61
1813	{ 14th July	61	1843	{ 10th March	65½
	{ 9th April	65½		{ 9th June	61
1814	{ 31st March	65½	1844	{ 4th December	65½
	{ 21st January	53½		{ 12th January	61
1815	{ 15th June	64½	1845	{ 4th January	65½
	{ 30th May	59		{ 27th November	64½
1816	{ 10th January	84½	1846	{ 9th February	62
	{ 6th December	82		{ 16th December	84½
1817	{ 15th January	73	1847	{ 2nd January	62
	{ 15th April	73		{ 19th October	82
1818	{ 29th August	73			

We annex to the preceding table, relating to the funds, the following particulars of the loans contracted and Exchequer Bills funded since 1793, showing the purpose for which the loans were raised at the several periods specified.

STATEMENT OF THE PUBLIC LOANS CONTRACTED SINCE 1793.

	£				£	
1793	4,500,000			1806	2,000,000	for Ireland
1794	11,000,000			1807	12,200,000	„ Great Britain
1795	18,000,000			„	2,000,000	„ Ireland
„	4,600,000	Imperial		„	1,500,000	„ Ireland
1796	18,000,000	for Great Britain		1808	8,000,000	„ Great Britain
„	7,500,000			„	2,500,000	„ Ireland
1797	18,000,000	for Great Britain		1809	11,000,000	„ Great Britain
„	13,000,000	„ Great Britain		„	3,000,000	„ Ireland
„	1,500,000	„ Ireland		„	600,000	„ Portugal
„	1,620,000	„ Germany		1810	8,000,000	„ Great Britain
1798	15,000,000	„ Great Britain		„	4,000,000	„ Ireland
„	2,000,000	„ Ireland		„	1,400,000	
1799	3,000,000			1811	7,500,000	„ Great Britain
„	12,000,000	„ Great Britain		„	4,500,000	„ Ireland
„	3,000,000	„ Ireland		1812	15,650,000	„ Great Britain
1800	18,500,000	„ Great Britain		„	4,350,000	„ Ireland
„	2,000,000	„ Ireland		„	2,500,000	„ E. I. Comp.
1801	25,500,000	„ Great Britain		„	1,500,000	„ Ireland
„	2,500,000	„ Ireland		1813	21,000,000	„ Great Britain
1802	23,000,000	„ Great Britain		„	6,000,000	„ Ireland
„	2,000,000	„ Ireland		„	22,000,000	„ Great Britain
1803	10,000,000	„ Great Britain		„	2,000,000	„ Ireland
„	2,000,000	„ Ireland		1814	18,500,000	„ Great Britain
1804	10,000,000	„ Great Britain		„	5,500,000	„ Ireland
„	4,000,000	„ Ireland		1815	27,000,000	„ Great Britain
1805	20,000,000	„ Great Britain		„	9,000,000	„ Ireland
„	2,500,000	„ Ireland		1820	5,000,000	
„	1,500,000	„ Ireland		1835	15,000,000	„ Emancipation
1806	18,000,000	„ Great Britain		1847	8,000,000	„ Ireland
„	2,000,000	„ Ireland				

STATEMENT OF THE EXCHEQUER, NAVY, AND VICTUALLING BILLS FUNDED SINCE 1794.

	£	s.	d.		£	s.	d.
1794	1,905,451	2	2	1812	12,221,325	0	0
1795	1,490,646	3	2	1813	12,000,000	0	0
1797	4,226,796	14	0	„	3,735,500	0	0
„	11,595,529	8	0	1815	10,313,000	0	0
„	1,433,870	0	0	„	814,500	0	0 Money
1801	5,940,000	0	0	„	7,062,482	14	1 do.
„	2,970,150	0	0 Money	1818	27,262,000	0	0
1806	4,000,000	0	0	1819	12,000,000	0	0
1809	7,932,100	0	0	1820	7,000,000	0	0
1810	8,311,000	0	0	1826	8,000,000	0	0
1811	7,018,700	0	0	1839	4,000,000	0	0
„	4,981,300	0	0	1841	3,544,000	0	0

FINANCIAL CONDITION OF THE BANK OF FRANCE

The following are the weekly returns of the condition of the Bank of France which have been published since our last number:—

	At 27th April.	At 4th May.	At 11th May.	At 18th May.
ASSETS.				
Cash and Ingots	54,031,120	56,049,879	57,594,353	61,005,571
Cash at the branch banks	34,734,395	34,395,822	34,437,097	53,744,534
Overdue bills	14,061,801	18,722,078	18,403,601	16,237,717
Bills becoming due in Paris, a portion of which are from the branch banks	187,018,769	166,858,388	158,748,033	153,200,000
Bills in the branch banks	73,231,111	77,163,098	82,968,949	174,255,000
Advances on coin and ingots	5,115,600	6,506,700	6,001,200	7,377,000
Ditto on public securities of France	10,830,382	10,069,082	10,344,092	9,134,000
Due from the branch banks on their notes in circulation	14,895,750	14,418,500	14,470,000	11,753,000
Rentes of the reserve fund	10,000,000	10,000,000	10,000,000	10,000,000
Rentes of disposable funds	11,000,197	11,660,197	11,660,197	11,660,000
Investment of new branch banks in public funds				12,744,000
Hotel and furniture of the Bank	4,000,000	4,000,000	4,000,000	4,000,000
Interest in branch bank at Algiers	1,000,000	1,000,000	1,000,000	1,000,000
Interest in National Discount Bank	200,000	200,000	200,000	200,000
Bills protested	10,655,541	23,579,480	25,747,633	26,468,000
Bills arising from the sale of rents to Russia, yet to be received	278,038	80,924		341,000
Expenses of administration	478,856	541,904	541,856	
Sundries	660,787	729,856	313,191	408,000
Advance to the state on Bons du Tresor of the republic	50,000,000	50,000,000	50,000,000	50,000,000
Total	496,853,297	486,567,909	486,416,206	614,652,000
LIABILITIES.				
Capital	67,900,000	67,900,000	67,900,000	67,900,000
Capital new branch banks				23,350,000
Reserve fund	10,000,000	10,000,000	10,000,000	10,000,000
Reserve immobiliere	4,000,000	4,000,000	4,000,000	4,000,000
Reserve of new branch banks				2,880,000
Notes to be in circulation	303,094,600	293,131,800	297,426,800	302,244,000
Do. of the branch banks	14,895,750	14,418,500	14,470,000	11,753,000
Do. of new branch banks				89,069,000
Bills to order	1,269,423	1,409,123	1,423,123	4,284,000
Account current with treasury	26,360,908	22,024,718	13,202,037	20,588,000
Various accounts current	61,510,282	63,460,517	69,926,558	70,919,000
Bills payable at sight	1,050,000	1,377,500	1,053,500	1,768,000
Re-discounts of the last half year	728,692	728,692	728,692	728,692
Dividends unpaid	226,659	214,328	209,329	214,328
Discounts, interest, and expenses	3,274,787	3,386,389	3,451,238	3,595,000
Branch bank of Algiers, sum not yet employed in treasury bonds	1,092,248	1,106,773	1,106,923	1,107,000
Branch bank drafts to be paid	954,320	1,021,177	1,371,728	2,000,000
Sundries	195,634	195,189	256,293	176,000
Total	496,853,297	486,567,909	487,416,206	614,652,000

From the above returns it will be seen that the account for the ending the 18th May includes, for the first time, the new branch bank united to the head office in Paris, by official decree. The return for week quoted shows an improvement in several respects on the preceding increase in the account current of the treasury being the principal item it is stated confidently that Government are prepared to pay the next on the three per cents., which had been considered somewhat doubtful

BALANCE SHEETS OF BANKRUPT FIRMS

COCKERELL & CO.

A STATEMENT has just been issued of their affairs, made up to the month of May, which shows very different results from those held out at the date of suspension in September last. At that period the direct liabilities were stated at £619,393, while the nominal assets were £809,254, the chief items in the latter being £339,000, supposed to be in course of ordinary remittance from the Calcutta house; £435,000 due from the capital of the Calcutta house; Mauritius estates, valued at £50,000, and a balance of £16,719, being the difference between securities estimated at £352,099 and the amount of various claims, namely, £335,380, for which they had been deposited. It now appears, however, that the London house were wholly misled by the letters of the Calcutta firm, with regard not only to the amount of remittances coming forward, but also as to the ability of that firm to liquidate the £435,000 due from them in the shape of standing debt, and which, on the 7th January, 1847, they had declared themselves in a position to repay by instalments of £50,000 per annum. It is now also ascertained that the Mauritius estates are not likely to yield a farthing over the amount for which they are mortgaged, and that the various securities in the hands of general creditors, instead of yielding a surplus of £16,719, will, owing to the depreciation of certain shares in the Bengal Indigo Company, and the loss on bills of exchange on houses which have since failed, leave a deficiency of £96,830. At the same time, the debts of the firm have been continuously augmented by liabilities on bills discounted, &c., for which provision has not been made by the parties primarily responsible, and which will, therefore, rank upon the estate. Under these circumstances, the estimate of liabilities and assets at the present moment stands most disastrously, as follows:—

LIABILITIES	
On open accounts.....	£196,694
Acceptances.....	402,766
Bills discounted, bills drawn on Calcutta, and Union Bank acceptances.....	167,303
Excess of liabilities to parties holding securities (of which securities no estimate of value can now be given)....	96,830
	<u>£863,492</u>
ASSETS	
1st. Estimated dividend of 3s. 3d. on the claim of Cockerell and Co., of Calcutta, would produce.....	£102,881
2nd. Surplus on sale of estates beyond the claims of the representatives of Mr. R. H. Cockerell, who hold the first mortgage on same.....	25,000
	<u>£127,881</u>
3rd. Balances due to the firm of Cockerell, Larpent and Co., now in course of collection, estimated to produce.....	40,000
4th. Ready reserve accounts, dividends on old estates, &c., also in course of settlement.....	4,000
5th. Bills and cash.....	18,856
	<u>£184,856</u>

The dividend thus anticipated will amount to about 4s. 4d. in the pound, and although some of the parties conversant with the estate are disposed to believe in a more favourable result, especially as regards the receipts from the Calcutta house, and from the possibility of ultimate recoveries from parties primarily liable upon the item of bills discounted, we cannot, when we look at the delays which must intervene before even this realisation can be effected, together with the chances of disputes and litigation, persuade ourselves that there is any ground to hope for a less unfavourable termination.

The report from which the foregoing particulars are gathered is accompanied by the following letter from Messrs. Cockerell, Larpet and Co.:

"In forwarding the within report, prepared by order of the inspectors, under whom we have acted in the management of our affairs since our suspension in September last, we have to express our regret that the ultimate result will be far less favourable than from the representations made to us we had reason to expect, and that it does not hold out better prospects of immediate realisations. This is partly to be attributed to the unfortunate state of all mercantile affairs in Bengal, and to the absorption of the available funds of Messrs. Cockerell and Company of Calcutta, our principal debtors, by their assignees having applied them in carrying through the present season the cultivation of the indigo and sugar factories, and in supporting the valuable property at Natmoo.

"We are informed by our attorneys in Calcutta, that 'these arrangements are considered by every person possessing the slightest acquaintance with such concerns as very advantageous to all parties, and that they have been adopted to recover the large advances already made for the season 1847-48, and to prevent these properties becoming valueless.'

"We trust that this opinion will be confirmed by enabling the assignees to declare a much larger dividend at the close of the season than could otherwise have been realised, and that our estate will thereby receive a corresponding benefit.

"We venture further to state that, irrespective of the balance due to us by the Calcutta house, we confidently rely on realisations from other sources of more than sufficient for an early dividend of 5 per cent. on the total amount of every possible liability as stated in the report."

BARLOW & Co. AND H. ADAM & Co.

The Houses of BARLOW & Co. and H. ADAM & Co., at the Mauritius, have declared themselves insolvent. Their liabilities respectively are 387,965 dollars, and 2,378,293 dollars, and assets 107,800 dollars and 1,043,580 dollars.

CARR, TAGORE & Co.

CARR, TAGORE & Co., of Calcutta, have become insolvent. The liabilities of the house amount to £254,620, and the assets to £290,295. Inability to meet present demands upon them has been the cause of the firm suspending business.

FLUCTUATIONS IN THE VALUE OF RAILWAY PROPERTY IN 1847.

Herapath's Journal, which still maintains its lead amongst the railway publications for the accuracy of its statistics and intelligence, gave an interesting review a short time since of the decline which had taken place in the value of

shares during the past twelvemonths, from which we have compiled the following particulars.

The retrospect does not embrace a period of high speculation; for it has its commencement when prices had already become flat, namely, in January, 1847. The whole year of 1847 was comparatively much depressed, and, therefore, the immense fluctuation showed in the following account is the more remarkable.

London and North Western, in January, 1847, stood at £200. By the end of February, they ran down to £190. In the course of March, they were at £175. In May, they fell below £170. In July, they began to look up again, having reached £183; but in August, they dropped to £168. In September, they fell below £160. In October, they dropped to £145, and something below; but in December, they acquired a little greater strength, and rose above £150, or to more than 50 per cent. premium.

The Great Western, notwithstanding their keeping up of their usual 8 per cent. dividend, met with even greater reverses in the share-market than the *London and North Western*, although the latter came down from a 10 to a 9 per cent. dividend; for we find the *Great Western* standing in January at £133, or £48 premium, and in October dropping to about par.

The South Western commenced in January with a price of £65, and before the year was out sunk to £55; but they have never been like the *Great Western*, to par.

The Midland stock commenced the year at £131, and in October fell to about par, or nearly it; but their dividend was not 8, but 7 per cent.

The Brighton, to use a Stock Exchange phrase, 'knocked under' considerably, but this is, in a great measure, accounted for by the reduction of their dividend to 4 per cent., having been on the previous occasion at 7 per cent. In January they were at £58, and in October at £40, and even lower.

The Eastern Counties were at £22 in January, and gradually fell, through the succeeding months, until they reached in October £15, their lowest point.

The Edinburgh and Glasgow in March rose a trifle upon the January prices, having advanced from £78 to £80, and maintained themselves pretty evenly until about October, when we notice they were done at about £47, continuing to recede, instead of to advance, (as most other shares did,) in December; in this month we find them quoted at £42 10s.

The Lancashire and Yorkshire appear to have kept company with the *Edinburgh and Glasgow* in the extent of their downward career in the share-market. The £82 shares of this company obtained, in January, £32 premium. In October and November they were at £9 and £10 discount. From this enormous depression, they have since recovered a little.

The York and North Midland, like the *London and North Western*, the *South Western*, and one or two others, though their stock suffered, and still suffers, a material depression, kept aloft high above water mark, or at par prices. The *York and North Midland* stock was sold in January, 1847, for £180; in June for £173; in August for £156; and in October for £143, the lowest figure apparently to which it went, being then at a premium of 43 per cent. It rose in November to £153.

The York, Newcastle, and Berwick stock followed in a similar course; starting in January at £154, and arriving at its lowest point in October and November, when it fell to £134, or 34 per cent. premium.

The Manchester, Sheffield, and Lincolnshire £100 shares stood at par in January, and gradually got down to £74 and £69 in November and December.

The South Eastern £50 shares started at £40, and in October sunk to £26. They have since been looking up.

We say nothing here about the fluctuations in the marketable value of

the new lines being made, at home and abroad. They, of whatever description, are, ~~at least without exception, overvalued at this kind of discount.~~ It is to be hoped, however, that, by-and-bye, they will be ~~cast, and swim at least with heads above water.~~ To rescue them, the shareholders must principally do the life boat business themselves, and not to handle the grappling irons with determination. First and foremost, not only in new but in all companies where there is the least ground for suspicion, they must insist upon a rigid examination of the accounts. Confidence is restored, and improprieties eradicated; railways, in public estimation, may enjoy their own again.

We have in the foregoing shown the fluctuations in the market value of twelve of our principal lines of railway during the past year, and be it borne in mind, which set in a long time after the trains had commenced with prices, compared with those that had preceded, ~~remains~~ ~~falling in value~~ ~~in the latter part of the year~~ ~~the lowest~~.

In order to afford a clearer notion of the extent of depression during which we have collected together, in the following table, the ~~value~~ ~~of the~~ ~~companies~~ ~~named~~ ~~setting forth the sums paid up per share (or stock) on each; the~~ ~~at which their shares stood in or about the month of January; nothing~~ ~~next column to what they sunk in the latter part of the year—in the~~ ~~October, which was that in which railway property generally sank~~ ~~lowest:—~~

	Paid up Per Share	Price in January, 1847	Price in October, 1847
London and North Western	£100	£220	£217
Great Western	85	133	85
South Western	414	65	38
Midland	100	131	100
Brighton	50	58	40
Eastern Counties	20	22	13
Edinburgh and Glasgow	50	80	43
Lancashire and Yorkshire	82	114	73
York and North Midland	100	80	43
York, Newcastle, and Berwick	100	154	134
Manchester, Sheffield, & Lincolnshire	100	100	59
South Eastern	331	40	36
	£861	£1,277	£926

From this table it will be seen, that, had a man purchased one share each of the above Companies in January, 1847, they would have cost £1,277, and been worth in October, £926, and in April last, £833; the per price being £861. His loss, therefore, in the difference of price one share in the twelve Companies would have been £350; in other words, in the course of a few months, the depression, in a period already depressed to more than a fourth of his capital, £10,000 invested in the best paying dividend lines! The property of some other Companies of importance was crushed in October to mere fractions of the prices obtained a month or two earlier in the year.

"I think there is no ground for a rule," says C. B., "I think there is no ground for a rule. Suppose the case of a bond which was afterwards destroyed or altered, the party could not upon it, because he had made it void as a security by his conduct. It will be evidence to show the nature of the transaction. It will be evidence to show the nature of the transaction. It will be evidence to show the nature of the transaction."

Banking and Commercial Law

THE LAW OF CHEQUES.—ON THE FORM AND ACQUISITION OF CHEQUES.

Of the time when the cheque is issued.—The cheque must bear date on or before the day on which it is issued.

Thus, in *Allen v. Reeves*, 1 East's Reports, p. 455, which was an action brought against the drawer of a bill of exchange, payable to bearer, for £20, bearing date the 18th day of the month. It appeared in evidence before Lord Kenyon, at the trial at Guildhall, that the bill, which was a common banker's cheque, was, in fact, drawn on the 14th, though bearing date four days afterwards, and was thus post-dated, because it was not intended that it should be presented for payment till the 18th, whereupon it was objected, that in effect this was a bill payable four days after date, and therefore ought to have been upon a stamp, otherwise the Stamp Act would be entirely evaded, by drawing bills of the date on which they were intended to be payable. Lord Kenyon inclined to this opinion, but permitted a verdict to be taken for the plaintiff, with liberty to the defendant to move the court to enter a nonsuit, if, upon examination of the act of parliament, the objection appeared to be well founded.

A rule having been obtained for entering a nonsuit, the *Attorney General* showed cause against it, saying, that as no use was intended to be or could be made of the draft till the 18th, when it was payable, it was the same as if it had not been issued till that day. But

Lord Kenyon C. J., after looking at the act, said that the case was too clear for argument: the manner in which the clause of exemption was worded expressly excluded this case. Rule absolute for entering a nonsuit was therefore granted.

In *Whitwell v. Bennett*, 3 Bosanquet & Puller's Reports, 559, the second count of the declaration stated that the defendant, according to the usage and custom of merchants, made his certain draft or order in writing, commonly called a banker's draft or cheque, upon Messrs. Fraed & Co., for £30, and delivered the same to the plaintiff, and averred a presentment for payment and refusal. This draft was post-dated.

It was objected for the defendant, that the draft being post-dated, was void; and on the case coming before the Court of Queen's Bench, the counsel interested in maintaining the validity of the cheque admitted, that after the case of *Allen v. Reeves*, it was impossible to contend that the draft was valid.

The latest case upon this point is that of *Serle v. Norton*, 9 Mees & W., 309; which was an action on a banker's cheque, dated March 19th, 1841, made by the defendant, delivered by him to J. Wright, and by Wright to the plaintiff. At the trial before Lord Abinger, C. B., at the London sittings after Michaelmas term, it was proved by the defendant that the plaintiff received the cheque from Wright (to whom he gave value for it) some days before the date which it bore. It was contended for the plaintiff, that the cheque, though post-dated, was evidence to support a count in the declaration for money paid. The learned judge thought otherwise, and directed a verdict for the defendant, giving the plaintiff leave to move to enter a verdict for him on the second count, for the amount of the cheque. Counsel having moved accordingly, Lord Abinger, C. B., said, "I think there is no ground for a rule. The case cited rests on a different principle. Suppose the case of a bond, which was originally good, but was afterwards destroyed or altered, the party could not declare upon it, because he had made it void as a security by his consent; but it would still be evidence to show the nature of the transaction. Here the cheque could not be read at all, it was altogether void."

Alderson, B. This was a paper altogether inadmissible as evidence.
Gurney, B., concurred.

3rd. *The name and address of the banker upon whom the draft is drawn.* In *Castleman v. Ray*, 2 Bosanquet and Puller's,

The defendant, in order to support his plea of set off, tendered in evidence an unstamped paper, of which the following is a copy:—

"Mr. Castleman, "Please to pay the bearer £30 8s. His receipt for your discharge from,

"Yours, &c., THOMAS MOSELEY

"Paid by Richard Ray, for Charles Castleman

"Stangate, Sept. 3rd, 1790.

"Mr. Castleman, Bricklayer, Camberwell."

The words, "payed by Richard Ray," were in the handwriting of the defendant's testator; and the words, "for Charles Castleman," in the handwriting of the plaintiff's testator. It was objected, that this paper, not stamped, could not be received in evidence, being a draft or order with the meaning of 23 Geo. III., c. 49, s. 2 (which act was in force at the time the draft was drawn); and not falling within the exemption in section 4 of that act, which exempts every draft or order for the payment of money on account upon any banker or person or persons acting as a banker, residing or acting the business of a banker within ten miles of the place of abode of the person or persons drawing such draft or order from being stamped. The learned judge being of that opinion, refused to receive the paper in evidence, and a verdict was found for the plaintiff.

Ruinnington, Serjt., now moved for a rule calling on the plaintiff to show cause why a new trial should not be had, contending:—1st, that Castleman, upon whom the draft was drawn, though not a banker by business, might be considered as a person acting as a banker within the meaning of the act, having been treated by the drawer as such. 2ndly, admitting that the draft could not be received in evidence as a draft, yet, that as Castleman acknowledged at the bottom of it, under his own hand, that Ray had paid the money mentioned in the paper for his use, the defendant ought not to be excluded from giving that acknowledgment in evidence, merely because it was on the same paper as the draft; that the acknowledgment, if written on a separate piece of paper, would not have required a stamp, since it was not the nature of a receipt. (*Fisher v. Leslie, Esp., N. P., Cas. 426.*)

But the court (consisting of *Heath, Rooke, and Chambre, judges*), were of opinion that the evidence was properly rejected, for that the acknowledgment of Castleman could not be made available without giving effect to the

5th.—*The words, "or bearer."* It appears that these words are necessary to render a cheque valid. They are contained in the clause of the statutes exempting cheques from duty. In *Yates v. Ryan and Moody's Crown cases*, the prisoners were indicted for obtaining, by false pretences, an order for the payment of £2. The order in question was a draft upon Child & Co., omitting the words "or bearer," and the Judges held, that it was not a valuable security; as it ought to have been stamped, and the bankers would have been liable to a penalty for paying it.

6th.—*The sum payable.* It is stated in *Serjt. Byles's works*, on Bills of Exchange, &c., that,

"A check for less than the sum of twenty shillings is absolutely void."

the uttering or negotiating such an instrument is an offence subjecting the offender to a penalty of £20, mitigable to £5. So it is also an offence to utter a check on which less than 20s. remains due. While the 17th Geo. III. c. 30, was in force, and not controlled by any other statute, a check could not be drawn for a sum under £5. But the 7 Geo. IV., c. 6, which repeals the act repealing the 17th Geo. III., c. 30, and consequently revives that act, enacts that nothing in that latter act contained shall extend to any draft drawn by a man on his own banker for money held by that banker to the use of the drawer. It seems to be generally considered, therefore, that a check for an amount above 20s. and, under £5, is good, but at least it may be dangerous to utter such a check where a man has no balance at his banker's, though they may be likely to pay it."

7th.—*The drawer's signature.* This is a material part of the cheque, but it is unnecessary to consider it in this place, as we have already done so in previous papers. See '*Bankers' Magazine*,' vol. II., p. 20, 87, and vol. VII., p. 284.

8th.—The 55 Geo. III., c. 184, imposes the following penalties for evading the duties on bills of exchange by means of cheques:—

Section 13.—"And for the more effectually preventing of frauds and evasions of the duties hereby granted on bills of exchange, drafts, or orders for the payment of money, under colour of the exemption in favour of drafts or orders upon bankers, or persons acting as bankers, contained in the schedule heretunto annexed, it is enacted, That if any person or persons shall, after the 31st day of August, 1815, make and issue, or cause to be made and issued, any bill, draft, or order, for the payment of money to the bearer on demand, upon any banker or bankers, or any person or persons acting as a banker or bankers, which shall be dated on any day subsequent to the day on which it shall be issued, or which shall not truly specify and express the place where it shall be issued, or which shall not in every respect fall within the said exemption, unless the same shall be duly stamped as a bill of exchange according to this act, the person or persons so offending shall, for every such bill, draft, or order, forfeit the sum of £100; and if any person or persons shall knowingly receive or take any such bill, draft, or order, in payment of or as a security for the sum therein mentioned, he, she, or they shall, for every such bill, draft, or order, forfeit the sum of £20; and if any banker or bankers, or any person or persons acting as a banker, upon whom any such bill, draft, or order shall be drawn, shall pay, or cause or permit to be paid, the sum of money therein expressed, or any part thereof, knowing the same to be post dated, or knowing that the place where it was issued is not truly specified and set forth therein, or knowing that the same does not in any other respect fall within the said exemption, then the banker or bankers, or person or persons so offending, shall, for every such bill, draft, or order, forfeit the sum of £100, and moreover shall not be allowed the money so paid, or any part thereof, in account against the person or persons by or for whom such bill, draft, or order shall be drawn, or his, her, or their executors or administrators, or his, her, or their assignees or creditors, in case of bankruptcy or insolvency, or any other person or persons claiming under him, her, or them."

The following case has been decided upon this section:—

Assumpsit, by the plaintiff as one of the public officers of a banking company, under the stat. 7 Geo. IV., c. 46, s. 9, on a promissory note for £500, made by the defendants, and payable to the company.

Plea; that before and at the time of the making of the said promissory note mentioned, the said banking company carried on and transacted the

business of bankers at Birmingham, in the county of Warwick, and the said banking company did not carry on or transact the business of bankers at any other place. And the defendants further say that the consideration given by the said banking company for the said promissory note consisted and doth consist of certain moneys heretofore to wit, on, &c., and on other days and times before the date of the said note paid and advanced by the said company to and for and on the account of the said defendants, upon, in pursuance, and in payment of, certain drafts and orders then respectively made and issued by the said defendants, and drawn by them upon the said banking company. And the said defendants further say, that the said drafts and orders were made and issued by the said defendants at a greater distance than fifteen miles from Birmingham aforesaid, where, and where only, the said company transacted the business of bankers, and were not stamped as bills of exchange, nor was either of them stamped as a bill of exchange according to the statute in such case made and provided, nor did the said drafts and orders or any of either of them truly specify and express the place where they were respectively issued. And the defendants further say, that the said banking company paid the said drafts and orders respectively, and caused and permitted the same to be paid as aforesaid, well knowing that the same respectively were made and issued at a greater distance than fifteen miles from Birmingham aforesaid, and any place where the said banking company carried on and transacted the business of bankers, and knowing that the place where the same were respectively made and issued was not truly specified therein; and knowing that the same did not fall within the exemption in favour of drafts and orders for the payment of money to the bearer on demand, drawn upon bankers or persons acting or transacting the business of bankers contained in the statutes in such case made and provided, and the schedules thereto annexed, contrary to the statutes in such case made and provided. And the defendants further say that there never was any consideration for the said banking company taking or holding the said promissory note other than and except the said moneys so paid and advanced by them in pursuance and in payment of the said drafts and orders hereinbefore particularly mentioned. And this the said defendants are ready to verify, &c. The plaintiff replied, defendants demurred to the replication.

Chilton supported the demurrer to the replication. *F. Robinson* for the plaintiff. The plea is bad, the words of the statute imposing a penalty on the issuing of certain drafts, are "bill, draft, or order payable to the bearer on demand, and there is no allegation in this plea that the bill is payable to the bearer; nor is it said to be payable on demand. It is bad, also, in not showing that the drafts were for sums amounting to or above 40s." He was then stopped by the Court.

Lord Abinger, C. B. "I think that is a good objection to the plea." The other judges concurred. Judgment for the plaintiff. (*Greene v. Allday and another*). *Gale's Reports*, Vol. I., 218.

9th.—In addition to these penalties, a cheque which infringes the stamp act is rendered useless as an instrument of evidence to sustain any right or contract, even in the hands of a holder for value who does not know, and has no means of knowing of the defect. This subject was discussed in the following case.

This was an action by the indorser against the acceptor of an unstamped Bill of Exchange. The bill was drawn in French, and was in the following words:

"Vichy, le 5 Octobre, 1845.
B. P. 584 ss.
"A quatre mois de date payez contre a mandat a mon ordre la somme de

cinquante-huit livres sterling huit shillings, valeur suivant compte qui passerez suivant avis de.

"E. Guichard.

"A Messrs. E. H. Duhamel & Co.,

"Dépôt d'Eaux Minérales,

"7, Duke-street, Grosvenor-square, Londres."

This Bill was accepted by the defendant, by the style of E. H. Duhamel & Co., and was specially indorsed to Buron & Co., and after passing through several hands, came into the hands of the plaintiff. The defendant pleaded *non accepit*, and other pleas.

The cause was tried before Lord Denman, C. J., at the last assizes for Hertfordshire, when it appeared that the bill was drawn in London, and not, as it bore date, Vichy, in France; that this fact was known to the defendant (the acceptor), and that the date was put on at his request, but that it was not known to the plaintiff, who was an indorsee for value. Upon these facts, a verdict was found for the plaintiff for the amount of the bill, with leave reserved to the defendant to move to enter a non-suit.

Channell, Serjt., on the 16th April having obtained a rule nisi accordingly,

Byles, Serjt. (May 29th, '45), showed cause. To take advantage of the defence set up, the defendant is bound to show, not only that the bill was drawn in England, but also that it is void against an innocent indorsee, and that the party committing the fraud may take advantage of his own act. The defendant is estopped from showing that the bill was drawn in England, in *Jordaine v. Lushbrooke*, 7 Term. Rep., 601, the Court of Queen's Bench differed in opinion on a question somewhat similar to this, viz. whether a Bill of Exchange was void in its creation, but in that case it is not distinctly found that the plaintiff was not cognizant of the fact, and also it does not appear that the defendants were cognizant of it. In the present case the fraud was the act of the acceptor, and was unknown to the plaintiff. In *Pickard v. Sears*, 6 Ad. and El., 474, Lord Denman says, "The rule of law is clear, that where one, by his words or conduct, wilfully causes another to believe the existence of a certain state of things, and induces him to act on that belief so as to alter his own previous position, the former is concluded from averring against the latter a different state of things as existing at the same time," and, in *Gregg v. Wells*, 3 Ad. and El., 97, s. c. 8 L. J. Reps. (n. s.), Q. B., 193. Lord Denman again says, with respect to *Pickard v. Sears*, "The principle of that case may be stated even more broadly than it is there laid down. A party who negligently or culpably stands by and allows another to contract on the faith and understanding of a fact which he can contradict, cannot afterwards dispute that fact in an action against the person whom he has himself assisted in deceiving." The same principle is laid down in *Taylor v. Croker*, 4 Esp., 187; *Drayton v. Dale*, 2 B. & C., 293; and *Pitt v. Chappelow*, 8 Mee. & Wels. 616. So that where the right of the Crown does not interfere, it is clear that a party cannot take advantage of his own wrong. If so, the principle is the same in the case of an innocent holder, even where the right of the Crown intervenes. Byles, Serjt., subsequently mentioned *Abraham v. Du Bois*, 4 Campb. 269, and *Biré v. Moreau*, 2 Car. & Pay., 376, as cases where a question had arisen respecting bills of exchange purporting to be foreign bills.

Channell, Serjt., in support of the rule.—The rule that a party cannot set up his own wrong does not apply to revenue cases. In *Fields v. Woods*, 7 Ad. & El., 144, where an unstamped post-dated cheque was in the hands of an innocent holder, it did not even occur to the bench or the bar that the drawer was estopped from taking the objection.

[Maule, J., referred to *Williams v. Jarratt*, 5 B. & Ad. 32, s. c., 2 Law J. Rep. (n. s.) K. B., 156.]

That case merely decided what effect was to be given to the word "date" in the Stamp Act.

Tindal, C. J., after time taken to consider, delivered the judgment of the court.—In this case a verdict was found for the plaintiff for £58 8s., with leave reserved to the defendant to move to enter a nonsuit. The action was brought upon a bill of exchange, drawn by one Guichard, in London, on the defendant, who was also living in London, and who accepted it there, but it was dated at Vichy, a town in France, and appeared, therefore, on the face of it, to be a foreign bill of exchange; this date had been put to it at the request of the defendant, and the plaintiff was an indorsee for value without notice that the bill had been drawn in England, and the only point argued before us has been, whether the bill being in the hands of an innocent indorsee for value, the defendant was estopped or not from setting up the defence that it was an inland bill, and therefore, not produceable for want of a stamp. The objection is strictly and properly an objection to be made by the court, whenever it appears to them upon the trial that an instrument has not been properly stamped. The statute 31 Geo. III., c. 25, enacts, that no bill or note liable to the duties in that act, "shall be pleaded or given in evidence in any court, or admitted in any court to be good, useful, or available in law or equity," unless stamped, which provision is incorporated in the later acts: the doctrine of estoppel of a party is not, therefore, in strictness, applicable to the present case; and as in the case of *Field v. Woods*, it was assumed by the court that in an action against the maker of a banker's cheque, by the person who became the lawful buyer, it was competent for the defendant to avail himself of the objection that the draft was post-dated, and, therefore, could not be read in evidence, without a stamp, we are unable to see any other ground, either upon principle or authority, on which the defendant is prevented from taking the objection or the court from giving effect to it. We therefore think that the rule for entering a nonsuit should be made absolute. Rule absolute.

Steadman v. Duhamel, 14 Law Journal Reports (C. P.), 270.

10th.—Where the cheque is not offered to sustain a right or contract, but to prove a fraud, it may be received in evidence, although it is not drawn in conformity with the statutes. This point will be illustrated by the following case:—

Assumpsit for money had and received: plea the general issue. At the trial, before *Bosanquet, J.*, it appeared that the plaintiffs had previously agreed to sell certain bullocks to one Mann, for which Mann gave him in exchange an unstamped cheque on his bankers, distant more than ten miles from the place where it was drawn.

Evidence was given to show that Mann knew the cheque would be dishonoured, and it was dishonoured. Mann afterwards disposed of these bullocks by a *bond fide* sale to the defendant, who received notice from the plaintiff not to sell them again. The defendant did sell them again, and this action was brought to recover the amount of the price paid to the defendant for them.

In support of the plaintiff's case, the cheque given by Mann to the plaintiff was offered in evidence, but was objected to, as inadmissible, for want of a stamp.

The evidence was received by the learned judges.

The jury found, that Mann obtained the bullocks by fraud, and that the defendant sold them and received the money before the action was brought.

Verdict for the plaintiff, with leave reserved to the defendant to move to enter a nonsuit on the ground that the cheque was inadmissible in evidence, *et rule nisi* having been obtained accordingly.

Lord Denman, C. J., "I am of opinion that this cheque was properly received in evidence. It is admitted that certain exemptions have been en-

grafted on the words of the legislature by which such instruments are excluded from being given in evidence; and I think that the present case falls within those exceptions. The question in issue was the same as if Mann had been himself indicted for obtaining the bullocks under false pretences. And, generally speaking, the evidence of fraud which is admissible as against the person committing the fraud, is also admissible to prove it in an action to which he is not a party."

Littledale, J. "I am of the same opinion. It is true that the words of the statute are absolute; but it is quite established that they are to be taken with some qualification."

Patteson, J. "I cannot see any principle upon which the distinction as to the admissibility of such evidence against a third person can be maintained. The case of fraud which was charged might have been proved, as it seems to me, just in the same way as if Mann himself had been upon his trial. No evidence, indeed, could have been given of any admission by Mann himself after the transaction; but with that exception the evidence admissible in the two cases would have been precisely the same. In *Rez v. Gilson*, a valid and subsisting contract was necessary to be proved in order to support the indictment. That was not so here."

Williams, J. "I consider the question to be precisely the same as if the cattle had been obtained from the plaintiff by what is termed a flash note. There can be no doubt that such an instrument would have been receivable to prove the fraud." Rule discharged.

Keable v. Payne. Will. Woll. and Hods. Reports, 1—383.

"*As to the person in whose favor the cheque is drawn.* The person in whose favor the cheque is drawn is called the payee, but it does not appear to be necessary that there should be any payee, and, in practice, a cheque is often made payable to some particular account, or to a number, or a letter.

Legal Miscellany.

NOTE.—Under this head we shall insert brief reports of legal decisions affecting Bankers and Merchants, as they occur from time to time. We shall feel obliged by having our attention called to any case which may come under the notice of our readers.

FLIGHT v. PROWATT.

Court of Common Pleas, Monday, May 1. From the opening statement of counsel it appeared that the plaintiff, Mr. Thomas Flight, the notorious "money lender," is the manager of the *Preserver Life Insurance Company*, the offices of which are located in Bond Court, Walbrook; and the defendant, Mr. C. G. Prowatt, is a junior fellow of King's College, Cambridge. Some few years ago the defendant, on coming up to London, had occasion to borrow a sum of money from the plaintiff, in consideration of which the defendant agreed to effect an insurance upon his life in the plaintiff's insurance office, and to lodge with the latter the policy of insurance by way of security. It was stated by counsel that the *Preserver Life Insurance Company* was not, like the ordinary life insurance offices, the property of a body of subscribers, but was the property of the plaintiff himself and another person, and that the plaintiff was in the habit of causing his debtors to insure their lives in his office as a security for his claims upon them. For the money which the defendant borrowed of the plaintiff, the former effected a policy of insurance upon his life for £490, and agreed to pay a premium of £32, which was a very large one, he being

then not more than 29 years of age. The plaintiff had the policy of insurance deposited with him, and received payment of the premium from the defendant from time to time. The defendant became indebted to the plaintiff in the sum of £69 6s. on a bill of exchange in October, 1847, which the defendant paid when it became due. The policy for insurance was originally for £490, but it was afterwards, in May, 1846, reduced to £250, and the annual premium to £16. That £16, a year's premium, was payable in advance, and the bill for which this action was brought was given for the premium on the policy of insurance, which would become payable in February, 1847. The £69 6s. being due and secured by the bill of exchange, was paid by the defendant, and the bill was thereupon delivered up to him by the plaintiff; and the defendant then gave the plaintiff notice in writing, that it was his (the defendant's) wish that the policy of insurance on his life effected in the plaintiff's office should be no longer kept on foot. In answer to the plaintiff's present claim, the defendant's counsel contended that the consideration for the bill of exchange was the premium on the policy, which policy he (the defendant) was at liberty to determine at any time by notice in writing; that he did so determine it, and therefore the consequence was that the consideration for the £16 premium was paid, and the cause of the present action could not arise.

His Lordship (Mr. Justice *Maule*) told the jury, the policy of insurance must have referred to the plaintiff; and it was suggested, and probably the fact was, that at one time the plaintiff, Mr. Flight, had some little interest in the policy in order to secure to him the repayment of a debt of £69 odd, due from the defendant to the plaintiff on the policy becoming payable, on the contingency of the defendant dying. The policy was in the ordinary form, and did not bind the defendant to pay the premium from year to year during his life, but only, if he chose to pay the premium, that his life should be considered as insured for the year for which he so paid his premium. There was nothing at all by the policy to bind the defendant, if he did not continue the payment of the premium. It did not appear by the evidence that the plaintiff held the policy of insurance as any security at all.

The jury found for the defendant.

IN THE BANKRUPTCY OF LYON AND LYON.

Court of Bankruptcy, Basinghall Street, May 1.—Before Mr. Commissioner Shepherd. The bankrupts, Thomas and Edmund Lyon, of No. 2, Birchin Lane, Stock and Bill Brokers, came up on the question of certificate.

The balance-sheet, which extends from January 1, 1846, to October 7, 1847, contains sundry creditors, £2,171; liabilities on bills discounted £41,383; capital £6,801; profits £6,473; sundry debtors considered good £1,709; doubtful debts £1,084; property £1,384; losses £6,292; counting-house expenses £985; cash drawn out of the partnership funds by T. Lyon, £1,706; by E. Lyon £2,272.

Amongst the creditors is the Richmond Banking Company in Yorkshire for £4,019, being the amount of liability on bills discounted. Amongst the debtors are set down "25 £20 Waterford, Wexford, Wicklow, and Dublin Railway shares, of no value;" "200 "Direct Bombay and Madras Railway shares, on which 5s. per share has been paid, of no value;" "120 Northern Counties Union shares, first calls paid, subsequent calls unpaid, and shares in consequence forfeited;" "10 £25 Coventry, Bedworth, and Nuncaton Railway shares, £1 5s. paid, of no value;" "five £25 London and Birmingham Extension shares, £1 7s. 6d. paid, not considered of any value;" "five Northampton and Banbury Railway shares, £2 paid; and "55 Waterford and Kilkenny Extension Railway shares, £1 paid, neither of which is considered to be of any value."

Mr. Lawrance supported, and Mr. Hilleary opposed, on behalf of the assignees, the certificate of Thomas Lyon. That of Edward Lyon was unopposed. Several charges were preferred against Thomas Lyon. Mr. Hilleary declared that he had been trading in the most reckless manner, dealing in accommodation bills, getting up a system of fictitious paper which he threw upon the market, and which turned out to be utterly worthless, that he had been insolvent for years, and stopped only when he could go on no longer. The assets would not pay much more than 1s. 6d. in the pound upon debts and liabilities amounting to considerably more than £40,000.

Mr. Lawrance, upon the other hand, contended that the bankrupts had not acted in any way fraudulently or unbecoming men of honour and integrity, and that their ruin was attributable indirectly to the pressure in the money-market in October last, and directly to the failure of several houses with which they transacted business, and which were crushed by that pressure. He called his Honour's attention to the moderate expenditure of the bankrupts, and concluded by expressing a hope that the certificate of Thomas Lyon would not be suspended for any long period. That of Edmund Lyon would, he trusted, be granted at once.

His Honour said there could be no doubt of the fact that Thomas Lyon had traded in a very reckless manner. He knew it was the custom for houses in trade in this city to go on for years whilst their affairs were on the very verge of ruin; but such conduct that court would not sanction. He must suspend the certificate of Thomas Lyon for one year. The certificate of E. Lyon he would grant at once.

At the request of Mr. Lawrance, the suspension took date from the passing of the last examination in March last.

LACKERSTEEN AND CRAKE.

Court of Bankruptcy, London, same day. The bankrupts, Augustus Alexander Lackersteen and William Hamilton Crake, were extensive East India merchants, at 9, Moorgate-street, and traded under the firm of Lackersteen & Co.

The assignees chosen are James Brennan, of Barge-yard, Bucklersbury, and Charles Scott Hadow, of Broad-street-buildings, merchant.

The amount of debts proved upon the joint estate was 63,250*l.*; upon the separate estate of A. Lackersteen, 18,519*l.*; or an aggregate of 81,769*l.* The whole debts and liabilities are said to amount to 200,000*l.* The dividend will not be large. The assets of the joint estate will not, it is thought, realise more than 25,000*l.*; upon the separate estate of A. Lackersteen about 3,000*l.*

LIABILITY OF SHAREHOLDERS IN A JOINT-STOCK COMPANY, AFTER JUDGMENT OBTAINED AGAINST THE COMPANY.

During the last sittings in Banco, in London, in the case of *Phillips v. The Merchant and Traders, Ship, Loan, and Insurance Company*, Mr. Kennedy moved for a rule to shew cause why execution should not issue against a shareholder in the above company. An action had been brought against the company on a policy of insurance, and a judgment recovered. A writ of *fi fa.* had issued, and the sheriff had returned that he had levied part of the execution on the goods of the company, and that there was no more, and that great part of the judgment remained unsatisfied. The present motion was founded on the 66th and 68th sections of the 7th and 8th Vic., c. 110—the joint-stock companies act—which allows companies completely registered to sue and be sued. The 66th section provides, “that in every judgment, decree, or order obtained against a company completely registered, except companies incorporated by act of parliament or charter, execution may

be issued not only against the property and effects of the company, but if due diligence has been used, in case of the failure of such goods to satisfy the levy, then it may issue against the property or person of any former or present shareholder." The 68th section directs that such execution may issue by leave of the court either on a rule to show cause, or a summons without any suggestion, or *scire facias*. The *Lord Chief Justice*—You should show what is the contract. There may be, as there often is, a stipulation in the policy, that insurers must look only to the funds. Mr. *Kennedy*—There is a stipulation, that no shareholder should be liable beyond the amount of his shares. But this refers only to an original proceeding against a shareholder; no one could bring an action against him; but an action having been brought against the company, and a judgment obtained, then the plaintiff is entitled to take steps, under the act of parliament. The court intimated a wish to see the declaration, before they considered the granting of the rule. Mr. *Kennedy* subsequently produced the declaration, which contained an averment, that the policy was not paid by the company, although they had funds. The court had suggested, that the policy might have contained a contract, that the insurers should rely only on the funds, and it did contain a stipulation, that each shareholder should only be liable to the amount of his shares; but this was only intended to limit the liability of the individual shareholders, but they were still liable on any judgment recovered to the amount of these shares. In this case there was an affidavit, which stated that the shareholder in question was possessed of 1,000 shares, equal to 25,000*l.*, and, therefore, he was liable to that amount. Rule *nisi* granted.

BILL SWINDLING.

THE following case appears in the daily papers of the last month. Our readers will observe from it that the bill-swindlers we have so often referred to are carrying on their trade with great success, and it appears that their operations are not so well known to some of the country banks as they ought to be. We hope that the party who in the present instance so foolishly availed himself of the "assistance" of the swindlers, having lost so large a sum of money by them, will be induced to take decisive measures for bringing them to justice.

"Mr. Robinson, the superintendent of the P, or Camberwell division of police, waited upon Mr. Elliott, the magistrate of the Lambeth police-office, London, to take advice on the best means of bringing to justice some person or persons who are carrying on a successful and wholesale system of swindling by means of lending, in some instances, and promising to lend in others, bills of exchange of various amounts. Mr. Robinson stated that for some weeks past various complaints had reached him from persons who had been defrauded by a set of bill swindlers residing in Villa-street, Albany road, in his district, and its immediate neighbourhood, and who appeared to carry on a successful as well as an extensive system of fraud. The first application made to him was by a tradesman in Greenock, who was in want of £200, and the sharpers, under the assumed name of "J. H. Taylor & Co.," having first received a post-office order for £10 commission, sent two bills of exchange, the one for £121 16*s.*, and the other for £83 4*s.*, to him. Both bills purported to be drawn by J. H. Keith, Brighton, and accepted by Thomas Butcher, commission-agent, Camberwell New-road, and made payable at the Commercial Bank of London. These bills the gentleman at Greenock got discounted by the

Western Banking Company, and some days before they became due he forwarded to the firm four notes for £50 each, and one for £5, for that purpose. In due course a receipt for the money came to hand, but a post or two after brought another letter from Messrs. J. & H. Taylor, stating that they were sorry—deeply sorry—that owing to a gross mistake made by one of their clerks, his money had been taken for another person's bill, but declaring that as soon as they were in funds they should release his bills, which at that time remained protested in the hands of the banker. The Western Banking Company became urgent for the payment of the bills, which had been returned to them, and the Greenock gentleman was compelled to settle with the firm. The next communication which Mr. Robinson mentioned was one from a tradesman in Newry, who, however, was more cautious, and escaped being swindled. The inspector then read a lithograph circular from the parties, who in this instance signed themselves 'J. C. Hall and Co.,' offering to remit for a commission of 5 per cent., bills to the amount of £500 and upwards, drawn and indorsed by one or two respectable factors, brokers or tradesmen, in the usual mercantile business method, as if they had been already negotiated by one party to another beforehand, at once. Saleable goods at a fair market price will be taken for commission when bills to the amount of £500 are requested. Several most respectable bills, in amount from £50 to £550, at three, four, and six months' date, accepted by merchants and indorsed by several parties, were stated to be on hand ready for negotiation. Mr. Robinson added, that on inquiry into the matter, he found out a house in Villastreet, Albany-road, Clerkenwell, to which a number of letters were directed through the Post-office to Taylor and Co., Anderson and Co., Hill and Co., Mackay and Co., and D. D. and Co., and were taken in there. The door was always attended by a female, who, when asked for either of the above names, answered that they resided there, but were from home at the time; and to a person calling fifty times a day she gave the same answer; so that he could not get at the fact whether there was a male person resident in the house or not. He (Mr. Robinson) had also ascertained that latterly the letters addressed to this house were taken to No. 3, Wilmot-place, Old Kent Road, which was occupied by a *Captain Rutledge*, who was well known in the neighbourhood as a bill discounter. Mr. Elliott: 'I hope you will not lose sight of the matter, but follow up your inquiries, and I have no doubt that the publicity which the disclosures you have made will obtain will have the good effect of placing the public upon their guard, and induce those individuals who may be drawn into a correspondence with such a class as bill lenders, bill discounters, and professed money lenders, to adopt the proper caution of the Newry tradesman.' Mr. Robinson assured his worship he should not lose sight of the parties, but, on the contrary, should by himself and his officers use every exertion to bring them to justice."

Communications

To the Editor of the Bankers' Magazine.

RAILWAY SHARES.—WARNING TO TRUSTEES.

SIR,—Every day develops something new regarding this class of property, and in case what I am now to communicate should not have been previously brought under your notice, you may perhaps consider it worthy of publication.

I am one of three trustees under a marriage contract: the contract declares

two to be a *quorum*. A few weeks ago we had, as trustees, some money to invest. I recommended heritable securities: my co-trustees preferred a purchase of railway stock. Two being a *quorum*, I was of course out-voted; my co-trustees resolved to buy certain railway stock, did buy it, and registered the transfer in name of the whole three trustees. Thus I am, *volens volens*, a registered proprietor of, and liable for calls upon, shares I never bought, or authorized the purchase of, and the purchase of which I protested against.

Supposing my co-trustees to be unable to relieve me of consequent calls or losses, am I not in a very awkward position?

I am, Sir, your most obedient servant,

JAMES SOMERVILLE,

Solicitor in the Supreme Courts of Scotland.

13, Duke Street, Edinburgh;

1st May, 1848.

ON FRAUDS IN BOOK-KEEPING,

SIR,—In reply to the query of “A Bank Officer,” inserted in your January Number, I stated that no form of day-book ever framed, or that could be framed, could accomplish the object he proposed; and gave an illustration of the way in which a fraudulent double-entry could be made, in any system of bookkeeping, without being detected, except by an examination of the entries with the vouchers.

“J. F., Accountant, Edinburgh,” in noticing my reply, acknowledges that I am no doubt correct in what I say; but professes to have found a great protection against fraudulent entries in a ledger—particularly a merchant’s ledger—in merely ascertaining that the summations of the *Dr.* and *Cr.* side of the day-book agree with the summations of the *Dr.* and *Cr.* side of the ledger. This test might have been applied to the short illustration I gave, and the books (whether merchant or banker) would have been pronounced correct, although there were no fewer than four distinct false entries.

Your correspondent is fully aware of the utility of this check, so far as regards individual accounts, and that it will only prove whether the sides, as a whole, are correct, but cannot see the practical object of such an entry as I described, or that it could long escape detection where the ledger accounts are reviewed *seriatim* from time to time, as they ought to be. Now, what “J. F.” calls reviewing the accounts *seriatim*, I take to be neither more nor less than the process which “A Bank Officer” calls the labour and trouble of examining the vouchers. The only difference, I apprehend, consisting of “J. F.” meaning half-yearly examinations, as in the case of the Scotch banks, for the satisfaction of the customers, and “A Bank Officer” meaning a periodical examination, for the satisfaction of the proprietors or directors.

I am now requested to say whether a clerk in a bank, posting £100 short to one account, and equalising its effect by carrying £100 over to another account, could realise £100 by this manœuvre.

Suppose the clerk had a current account with his employers, he might carry £100 over to his own account, which ought to have gone to another account;—would not he be a gainer so long as the fraud was undetected by a *seriatim* examination of the ledger accounts? This I at once admit is a very improbable case, as very few bank clerks have the means of keeping a banking account; besides, it could only be attempted on a small scale, so that the profit would be utterly incommensurate with the risk. But a more likely way for such a fraud to be attempted would be, by a combination between the clerk and one or two of the customers, with an agreement to divide the spoil. They might quietly plunder the bank to a pretty large extent, and be comfortably settled in the backwoods of America, before the fraud was detected.

These frauds might be accomplished without any officer of the bank being implicated except the accountant; but the system of carrying sums to the credit of accounts in the ledger, without passing them through the cash and day books, could only be profitably carried on by a mutual understanding between him and the cashier.

I am deeply convinced of the great importance of having a correct method of book-keeping, and also of having every facility of detecting errors and fraudulent entries. Errors may be prevented by a proper arrangement of the books; but fraudulent entries cannot be thus guarded against. This can only be done by a thorough system of inspection, which can only be dispensed with or rendered unnecessary by appointing to the office of accountant individuals of the highest character and respectability.

I am, Sir, yours, &c.,

23rd May, 1848.

A BANK ACCOUNTANT.

SECURITY OR INSECURITY OF THE FUNDS OF SAVINGS' BANK DEPOSITORS.

SIR,—Amongst all your articles on "Savings' Banks" in your valuable Publication, I cannot find that you have ever explained how (if?) depositors are secured under all circumstances from loss.

Barnstaple, 12th May, 1848.

I am, Sir, yours &c.,

AN ORIGINAL SUBSCRIBER.

[Our correspondent will see from the savings' bank article in our present number, that savings' bank depositors are, notwithstanding their supposed security, by no means guaranteed against the loss of the whole or of a portion of their deposit money. Ed. B. M.]

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—Ed. B. M.]

PROVINCIAL BANK OF IRELAND.

THE Twenty-third Annual Meeting of the proprietors of this bank was held on May 18th, at the London Office, No. 42, Old Broad-street, City, and was numerously attended. Sir John Young, Bart., was called to the chair; and after the election of Sir Robert Campbell, Bart., Oliver Farrer, Esq., Samuel E. Magan, Esq., and J. M. Montefiore, Esq., the directors who went out by rotation, the following report of the directors for the past year was read by the secretary, Mr. Hewat:

Report by the directors of the Provincial Bank of Ireland to the proprietors assembled at the Twenty-third Yearly General Meeting, on Thursday, May 18th, 1848.

In conformity with their usual practice, before submitting to the proprietors a statement of the result of the bank's operations for the past year, the directors consider it proper to notice, very briefly, some of those circumstances affecting the prosperity of the country, which must always have a material influence on the business and general interests of banking institutions.

The failure of the potato crop, in the years 1845 and 1846, which was adverted to by the directors in former reports, has been productive of serious

loss, and has tended greatly to disorganise and embarrass the trade and business of the country, affecting more immediately the owners and occupiers of land, but extending also to traders and others depending upon the produce of the agricultural classes. A considerable time must, it is feared, elapse before the effects of that calamity can be overcome.

It is satisfactory, however, to be able to state that the harvest of last year was, on the whole, a productive one; and, being early, it was secured under most propitious weather, in excellent condition, without loss, and at moderate expense. The supply of food in the country has been, therefore, abundant, but as the prices of grain have been comparatively low, and the expenditure on cultivation, including the public burdens upon land, have considerably increased, the circumstances of the farmers have not, it is believed, generally improved.

The flax crop of last year was a good one, and the produce of a high quality. The linen manufacture in the north of Ireland, to the improvement and growing prosperity of which the directors have on former occasions referred with peculiar pleasure, has, however, partaken of the depression universal in other departments of trade.

In the report of last year, allusion was made to the large importations of grain at the high prices of grain; and on this occasion, the directors refer with regret to the disastrous consequences which resulted from the extended operations in that trade into which so many persons were induced to embark. Numerous extensive failures took place in England, and in Ireland and Scotland, subsequent to the month of August last year: and the pressure in the commercial world was, altogether, for a time, of so serious and distressing a character as to have been considered without parallel.

Under such circumstances, the proprietors will not be surprised that, notwithstanding all the precautions which could be taken, losses to a greater extent than ordinary have been sustained; but these, it is satisfied to add, have been all provided for within the year; and though there has been a diminution of general business, it is a subject of gratification to the directors to have it in their power to present to this meeting a statement of the result of the accounts of the bank, which they trust will afford satisfaction to the proprietors.

To that statement the attention of the meeting is now requested:—
The account submitted to the last yearly general meeting, in May, 1847, showed the amount of rest, or undivided profits at March 27, 1847, to be..... £126,196
Out of which there was paid to the proprietors a bonus of 4 per cent. at Midsummer, 1847, amounting to 21,600

Leaving a balance of..... £104,596
And there has been further deducted the amount of two half-yearly dividends paid to the proprietors, as follows, viz.:—
At Midsummer, 1847 £21,600
At Christmas, 1847..... 21,600
Together 43,200

Leaving a balance of the rest of last year amounting to 61,396
To which there has since been added the amount of net profits for the year ending the 25th, being the last Saturday of March, 1848, after deducting the property-tax, and all expenses, and providing for all bad and doubtful debts 46,108

Making the rest, or amount of undivided profits, at the 25th March, 1848 £107,505

The proprietors will observe that, after providing for the losses of the past year, and for the ordinary dividends on the capital stock of the bank, an addition has been made to the rest; and the directors have now to state that it is their intention to pay as usual, in July next, a dividend of 4 per cent. for the half-year ending at Midsummer, being at the rate of 8 per cent. per annum, or £1 on each £100 share, and 8s. on each £10 share: and they propose, also, as heretofore, to pay the property-tax for the proprietors.

(Signed)

JAMES HELME, Chairman.

The report having been unanimously adopted,

The Chairman said it was very satisfactory to the directors, considering the condition of monetary affairs during the present year, to be able to show that the bank had not only escaped loss, but had been able to add so much to its profits. This result the directors might claim some credit for, but it was also in no slight degree to be attributed to the excellent manner in which the officers of the bank had seconded their exertions, and to the fact that the bank had always preferred a safe and steady business to one of a hazardous description. In referring to the condition of Ireland, he said that he did not despair of seeing great improvement there, and that good would come out of evil. He had some experience of the country, and he thought that the exertions now being made to improve the state of agriculture, together with the introduction of capital, and other beneficial circumstances in operation, would raise the social character of the population, introduce order and tranquillity, and induce habits of industry where they did not at present exist.

Votes of thanks were passed unanimously to the board of directors for the very able and successful manner in which they conducted the business of the bank; to Mr. Hewat, the secretary; and Mr. Rawlins, the accountant in London; and to Mr. Murray and the local directors and officers in Ireland, for their exertions; after which the meeting adjourned.

NATIONAL BANK OF IRELAND.

At the thirteenth Annual General Meeting, held 24th May ulto., the Secretary read the following report of the Directors:—

“On the occasion of the annual general meeting, the duty devolves upon the directors of submitting to the proprietors the result of the operations of the bank for the past year. The annals of banking do not present a period of greater difficulty or excitement, or one which has required more anxious care and attention on the part of those having the responsibility of large monetary establishments.

“The fluctuations in the value of money, securities, and produce, large importations of grain, and a tendency to undue speculations, with the full prospect of an abundant harvest, indicated early to the directors the danger that the year would wind up with panic and disaster.

“In the early part of the year, while the country was under an absolute deficiency of food, the directors willingly lent the facilities of the bank to its importation, but they considered it their duty to withhold undue accommodation from those who were disposed to push speculation beyond a certain period. In acting with increased vigilance and decision on these views, the directors have the satisfaction of stating that but few of the customers of the bank have suffered, and the bank itself was enabled to pass through the period of difficulty with abundant means and without much anxiety of loss.

“At the same time the continued deficiency in the potato crop in 1847, a produce so essential in the present condition of Ireland to the punctual discharge of local engagements, the disease engendered by the deficiency of food, diminished exports, and increased imports, pressed with unusual severity on the agricultural resources of Ireland.

“The people have met these trials with an admirable courage and resignation, and it is hoped that another abundant harvest may restore the country to its previous condition.

"Notwithstanding these and other subjects constantly before the attention of the directors, the progress of the bank has been satisfactory, and it has exceeded former years. Public confidence in its ample resources and management is steadily increasing, and its future prospects are sound and healthy.

"The bad debts having been written off, the directors have, out of the profits of the year, amounting to 33,496*l.* 9*s.* 1*d.*, paid the two half-yearly dividends, and there remains a surplus of 10,996*l.* 9*s.* 1*d.*

"At the last meeting the proprietors having concurred with the directors in the opinion that a reserved fund of 50,000*l.* was sufficient, the directors have come to the conclusion of declaring a bonus of 10,000*l.*, to be distributed rateably amongst the proprietors, and which will be paid them with the yearly dividend.

"During the latter part of the year, it having been intimated to the directors, that the London and Dublin Bank were desirous of dissolving the company, negotiations were entered into with the directors, which terminated in this establishment succeeding to its connexions in the towns of Drogheda, Carrickmacross, Wicklow, Kells, Athy, Mullingar, and Parsonstown, every prospect of advantage to the bank. The whole of these localities, with the exception of Parsonstown, within the circle from which all business is issued, except the Bank of Ireland, had been excluded, until the extinction of the monopoly by the Banking Act of 1845.

"By this arrangement the vacancies in the direction were filled by three of the directors of that establishment, viz., Sir Ralph B. Bart., M.P.; Octavius Ommauey, Esq.; and Francis Carnac Brown, whose appointment by the directors will require confirmation by the proprietors.

"There are now to be elected four directors in the room of A. P. Jones, Esq.; Fowler Newsam, Esq.; F. B. Henshaw, Esq.; and Charles B. Esq.; whose time of office has expired, but who are re-eligible, and offer themselves accordingly, and three other proprietors have signified their intention of becoming candidates for the office, viz., John O'Connell, Esq.; Augustus Vigne, Esq.; and Rowand Ronald, Esq., and whose names have been submitted to you.

"The undivided profits at December, 1846, were £50,108
Net profits for the year ending December, 1847 33,496

..... £83,605

Deduct half-year's dividend to Midsummer, 1847 £11,250

Ditto ditto to Christmas, 1847 11,250

22,500

Leaving amount of undivided profits at December, 1847 £61,105

The Chairman, in his address to the meeting, said,—“As a proof of the resources of the bank and its success, I may state, that besides providing the dividend annually, and augmenting the reserve fund to the amount of £61,000, we have during the last ten years written off losses amounting to £175,000. Of this sum some part of it belongs to preliminary expenses, however, I am happy to tell you that this year has completed the extinction of all the bad debts. So anxious were we to accomplish this object, that we wrote off out of the profits of the last year the sum of £29,156. Independent of this sum, and after providing for the dividend, we have a surplus of upwards of £10,000. I beg to read you what the profits of the bank have been for the last six years. From this you will be able to trace the progress, and form some conclusion as to its future prosperity, and the probable surplus beyond your dividend you may expect in succeeding years. In 1842 the net profits were £31,784; 1843, 28,578; 1844, £30,013; 1845, 36,852; 1846, 48,292; 1847, 61,002.

The report was received and adopted, and votes of thanks passed to the Directors and Secretary (N. S. King, Esq.,) for their exertions on behalf of the Bank. A Ballot took place for the election of four Directors in the room of those retiring by rotation, when Messrs. *Henshaw, Bianconi, John O'Connell, M.P., and Vigne* were declared to be duly elected.

IONIAN BANK.

At the Annual Meeting, held 11th May, a dividend of 6 per cent. was declared, the Report stating that the operations of the establishment for the past year have been characterized by a steady progress. The general statement of accounts for the year 1847 is as follows:—Balance at the credit of profit and loss on the 1st of January 1847, £9,540 4s. 8d.; to which is to be added the net profits for the year ending December 31st, 1847, after deducting all charges, £11,138 13s. 4d.: making together, £20,678 18s. From which is to be deducted the amount of two half-yearly dividends at the rate of 6 per cent., per annum, paid in 1847, being £8,621 4s. 6d. Leaving at the credit of profit and loss, on January 1st, 1848, £12,057 13s. 6d.

Return of the average amount of Liabilities and Assets from 1st of January, to 31st December, 1847.—From the *London Gazette*.

LIABILITIES.

Promissory notes in circulation, not bearing interest	£67,785	11	8
Bills of Exchange in circulation, not bearing interest	14,823	8	4
Bills and notes in circulation, bearing interest	Nil.		
Balance due to other banks	Nil.		
Cash deposits, not bearing interest	9,665	13	4
Cash deposits, bearing interest	52,317	5	0
Total average of liabilities	£144,591	18	4

ASSETS.

Coin and bullion	£35,709	0	0
Landed and other property of the corporation	5,489	0	0
Government securities	17,786	13	4
Promissory notes or bills of other banks	90	12	10
Balance due from other banks	Nil.		
Notes and bills discounted, or other debts due to the corporation, not included under the foregoing heads	242,868	2	8
Total average of assets	£301,943	8	10

CARLISLE & CUMBERLAND BANK.

At the Eleventh Annual General Meeting of the shareholders of this Bank, held on the 9th February last, the balance sheet made up at the close of the year 1847 was produced. It showed that the net profit for the year, after payment of all expenses, was £25,997 14s. 11d., being upwards of 11½ per cent. on the paid-up capital of £241,925.

This sum has been appropriated as follows:—

	£	s.	d.
Dividend of 8½ per cent. paid	4,413	12	6
Added to the reserved surplus fund	1,499	8	9
Balance carried to contingent fund	84	18	8
Total	£25,997	14	11

The reserved surplus fund now amounts to the sum of £15,783 15s. 10d.

THE EASTERN BANK OF SCOTLAND.

At the Annual Meeting of the partners of the Eastern Bank of Scotland held on Wednesday, 12th April, a dividend of 6 per cent. was declared; and, after setting apart a sum sufficient to cover all bad and doubtful debts, £4,500 was added to the reserve surplus fund, which now amounts to £15,000.

THE ORIENTAL BANK.

Statement of the Liabilities and Assets at April 21, 1848.—(From the *London Gazette*.)

LIABILITIES.			
Deposits and other liabilities	.. ..	£1,702,098	11 6
Capital paid-up and reserved fund	.. ..	1,028,888	9 6
Balances due by other banks and branches	.. ..	24,211	6 11
<hr/>			
£2,755,198 7 11			
ASSETS.			
Cash and government securities	.. ..	£437,285	10 11
Bills outstanding, cash credits, and loans	.. ..	2,276,262	7 8
Dead stock	.. ..	41,650	9 4
<hr/>			
£2,755,198 7 11			

BILSTON DISTRICT BANKING COMPANY.

The Shareholders held their Eleventh Annual Meeting on the 8th February, at Wolverhampton, to receive the Report of the Directors for the year ending the 31st of December last, to declare a dividend, and to appoint two Directors in the place of Mr. Samuel Walker, of Wolverhampton, and of Mr. Thomas White, of Bilston, who go out by rotation. The report stated that the profits for the past year enabled the directors to propose a dividend of 4 per cent. in addition to one of 3½ per cent. paid on the first of December last, making a total of 7½ per cent. for the year, without deducting income tax, and the directors recommended that the surplus of £513 5s. 11d. should be added to the guarantee fund, which is now £6,478 9s. 3d. The report was adopted, and the retiring directors were re-elected.

Notes of the Month.

PROVIDENT CLERKS' ASSURANCE SOCIETY AND PROVIDENT ASSOCIATION.—The annual election of annuitants on the provident fund of this excellent association takes place on the 31st May, after which the friends of the society dine together at the London Tavern, Henry Labouchere, Esq., President of the Board of Trade, in the chair. The list of stewards, which is given in another column, includes many of the eminent bankers of the metropolis.

A SWINDLING SPECULATOR IN THE PUBLIC FUNDS.—There was, on Wednesday (17th May), a considerable commotion in the neighbourhood of the Stock Exchange about mid-day. A disreputable person, who had made many attempts to swindle respectable brokers and dealers into transacting speculative business for him in the funds, in which he had succeeded in some instances, and in consequence had had his name and description placed on the

black board of the house some time since, with a warning to beware of him, made another attempt on Wednesday to practise the same fraud upon a party, who happened to conceive suspicions of his intending client, although he offered his cheque on Coutts & Co., and his own card of address, with the utmost confidence. On pretence of going to the house to do the business proposed in £10,000 Consols, and leaving the fraudulent speculator in his counting-house meanwhile, he collected several of the brokers who had personal knowledge of him from his former attempts to impose upon them, and, returning, confronted him with them. The impostor was authenticated at once, and subjected to summary justice, for which purpose a quantity of rotten eggs had been prepared, with which he was pelted out of the office, and being pursued into Moorgate-street was there given into the custody of a policeman, by whom conveyed to the nearest station. There the rogue was, however, discharged by the inspector, from, it may be supposed, no sufficient charge being made out against him. The cheque upon Messrs. Coutts might, however, after presentation and consequent repudiation, have surely justified his detention for fraud, had that course been pursued.—*Trade Protection Circular.*

BILL SWINDLING.—The circular of the *City of London Trade Protection Society* contains the following notice:—"Fraud: Twenty guineas reward. Whereas several members of the City of London Trade Protection Society have been defrauded of their acceptances by means of money-lending advertisements inserted in the newspapers; the above reward will be paid to any person who will give such information as will lead to the discovery, apprehension, and conviction of the party or parties committing such fraud. Some of the bills are drawn, or purport to be drawn by Richard Shires, others by J. Sydaerff, and others by James Lomas, and some, or one of them, are, or is indorsed by or to the said Richard Shires; John Miles, lately occupying rooms at No. 9, Panton-square, Haymarket; Charles Gadderer, residing at the house of Jane Potez, No. 23, Craven-street, Strand; Thomas Holbrook Coyle, late of Craven-street; Laurence Levy, of Fetter-lane; Charles Lewis (otherwise Levy) attorney and bill discounter, of No. 9, Grosvenor-street, Bond-street; and Francis Lee, of No. 33, Great Marylebone-street, carver and gilder. The above reward will be paid as follows: ten guineas by the said society, and ten guineas by the parties defrauded. Application to be made to Messrs. Dean, Leeks, and Redpath, solicitors of the society, No. 13, Swithin's-lane, London."

EXCHEQUER BILLS: REDUCTION OF INTEREST.—The following notice has been issued by the Chancellor of the Exchequer: "Exchequer-Bill Office, No. 2, Whitehall-yard, May 18th, 1848. The Exchequer-Bills, dated in the month of June, 1847, viz., per 10 Victoria, cap. 19, £18,310,700, A^c. 1847, with the interest due thereon, will be paid off on the 15th day of June 1848, when the interest will cease. Such bills will be received daily, from half-past ten o'clock till two, until and including the 5th day of June, at this office, where lists are to be obtained, containing instructions for arranging the bills. The bearers must endorse each bill with their usual signatures, and write their names and residences at the bottom of each list; and where the names of holders are inserted in bills, the bearers not being such holders, must previously obtain their endorsements. The bearers must attend to give receipts for the payment. Payment may be obtained, if required, previous to the said 15th day of June, upon leaving the bills for examination one day prior to that on which such payment is desired."

New bills, bearing an interest of *two-pence* by the day upon every one hundred pounds, and dated the said 15th day of June, may be obtained in whole or in part payment of principal of the Exchequer Bills issued under the above-mentioned Act, upon stating the required amount on the lists, delivered on or

before the said 5th day of June; which new bills, with the interest on the bills exchanged, will be issued on the 16th day of June. The bills to be classed in separate lists, according to the Acts under which they have been issued.

N.B.—All Exchequer Bills charged on supplies, dated prior to June, 1847, have been advertised to be paid off.

With reference to this announcement, the city editor of the *Morning Herald* observes:—"The interpretation put upon this measure is, that it would be favourable to Consols, and some bargains, it is stated, were effected at 84½. This construction might be perfectly correct in ordinary times, but it is not at all applicable to present circumstances. The idea upon which it is founded is, that by reducing the rate of interest on Exchequer Bills, a preference would be given to the funded securities for investment; but those who apply that reasoning in the present instance, have no just conception of the state of the money market or of the cause which has lately given Exchequer Bills such a preference as to run them up to 40s. premium. The reason why these securities have been so much in request for temporary investment exclusively arises from want of confidence in the stability of other securities, the convulsions now going on in Europe exposing them to so much hazard, that nobody having their money invested in them can sleep soundly, and more especially if they require to be realised within short periods. The Exchequer Bill, on the other hand, has a determinate limit fixed to its depreciation, the premium being the utmost that the holder can lose, and it can be turned into money at an hour's notice, with the advantage of carrying the interest up to the day of sale. The high rate of premium to which they have advanced is exclusively owing to this difference, and it has been produced by people who have money loose for temporary investment only, which they may recall when it is required, without, as we have above shown, being exposed to the risk of suffering much loss. In other words, it is the direct consequence of the want of confidence in other securities, which, in ordinary times, would obtain a preference, and not from an absolute redundancy of money in the market. Even at the reduced rate of interest, the same feeling is likely to prevail, all circumstances remaining the same; and as an evidence, it will be observed that the announcement of the reduction has had comparatively little effect on the price of the June bills to-day. The Chancellor of the Exchequer is not only perfectly justifiable, but he would have failed in his duty to the public, had he not availed himself of the existing state of affairs to effect the saving which the reduction will accomplish, even supposing that circumstances might compel him again to advance the rate within three months."

Monetary Intelligence.

REVIEW OF THE MONEY MARKET DURING THE MONTH OF MAY, 1848.

The general aspect of monetary affairs during the past month has been of a satisfactory character. Notwithstanding the extraordinary events, which have followed each other with such rapidity on the continent, the funds have undergone a gradual improvement, and towards the close of the month, have reached a higher price than they have attained for since the breaking out of the French revolution. The French funds also appear to have overcome the panic which naturally depressed them on the overthrow of the old regime, and they also are higher than they have been at any time since February.

Although these decisive indications of greater confidence have been very apparent, it is well known to all our readers, that the political events of the past month have been altogether more exciting than any which have occurred

since the great event which deprived Louis Philippe of his throne. The Emperor of Austria has fled from (and returned to) his capital; the Pope has been virtually deposed; the King of Naples has massacred his people, in order to retain his authority; and a counter revolution has been commenced, carried out, and temporarily put down in Paris—all within the space of a month!

We need not refer to the extensive preparation made in this country, although apparently not generally understood and appreciated, for organizing a "League" against the present system of government, which before long will doubtless unseat the existing ministry. All these important events have occurred, and yet the public funds have improved, and within the last week of the month have reached a higher price than they had attained since the Revolution. Under other circumstances, any of the occurrences we have named would have produced a serious fall in the funds; but our capitalists now appear to have become so much habituated to the excitement of political events that they are unaffected by circumstances which a few months since would have been regarded with the utmost consternation.

The steady improvement in the funds may be in part accounted for by the well known fact, that many extensive sales were made in anticipation of a fall in prices; and the jobbers are purchasing at present rates in preference to risking the serious loss they must sustain, if the quotations continued to advance, and they were left without stock on hand with which to fulfil their engagements.

The Chancellor of the Exchequer has taken advantage of the existing state of the money market, to announce that the Exchequer Bills, to be issued in June, will bear the reduced rate of interest of twopence per cent., per diem, in place of the present rate of threepence. The usual official notice to the holders of Exchequer Bills to this effect, will be found in another column.

The improvement which has taken place in *Consols* during the past month, will be seen from the following comparison of the closing prices at the dates specified.

	At 26th April.	At 26th May.
<i>Consols</i> for money	82½	84½ to 1
<i>Idem</i> for account	82½	84½ to 1

THE CORN TRADE.

The *Gazette* averages for England and Wales have been:—

Weeks ended, 1848.	Qrs. sold.	Weekly average.	Six Weeks' average.	Duty.	Corresponding Six Weeks Last Year.
		s. d.	s. d.	s. d.	s. d.
Apr. 15 ..	66,794	48 10	50 1	7 0	75 5
" 22 ..	72,325	48 10	50 7	7 0	75 9
" 29 ..	86,344	49 6	50 5	7 0	76 4
May 6 ..	91,111	50 1	50 1	7 0	77 1
" 13 ..	92,827	49 10	49 11	7 0	78 6
" 20 ..	80,468	48 4	49 4	8 0	81 10

From the above it will be observed that prices have undergone a decline weekly, and contrast strongly with those of last year at the corresponding period. The favourable weather and prospect of an abundant harvest have chiefly warranted to produce this result; and it seems probable that, under the operation of the new corn law, prices will be lower this year than for a very long time past. Good wheaten bread can now be obtained in London at five pence halfpenny the quarter loaf; and the prospect of its being still further reduced in price must have an important influence on commercial operations.

The following table of imports since 1827 will be read with interest:—

Account of the Foreign Corn, Grain, Meal, and Flour imported into Great Britain and Ireland in the Years 1827 to 1847.

Date.	Wheat.	Barley.	Oats.	Beans.	Indian Corn,	Wheat, Meal, and Flour.
	Qrs.	Qrs.	Qrs.	Qrs.	Qrs.	Cwts.
1827	283,236	208,117	1,741,091	142,726	154,097	94,348
1828	715,242	168,673	166,423	73,370	19,649	151,038
1829	1,544,969	305,798	541,858	46,487	27,022	461,895
1830	1,414,262	132,210	499,947	16,909	1,031	560,249
1831	1,857,278	369,032	617,568	22,345	59,232	1,627,742
1832	405,884	101,810	31,862	27,914	1,582	224,068
1833	247,625	85,221	23,335	22,857	7	170,092
1834	131,566	88,562	175,266	47,756	227	149,554
1835	46,530	67,796	117,673	34,380	1,808	84,684
1836	162,778	83,483	129,625	93,056	1,006	279,602
1837	452,369	87,791	413,710	105,671	4,026	346,325
1838	1,240,438	2,203	50,981	64,358	4,043	439,910
1839	2,638,593	579,405	674,554	109,810	9,565	793,606
1840	1,995,453	625,437	537,805	129,418	22,021	1,552,697
1841	2,409,754	264,654	122,297	293,689	4,137	1,275,656
1842	2,722,305	73,550	302,852	126,591	35,866	1,151,827
1843	932,866	179,414	84,718	48,080	516	440,955
1844	1,097,963	1,025,416	308,126	153,724	39,218	987,774
1845	844,533	367,854	586,860	185,008	55,984	924,256
1846	1,437,336	371,137	794,863	255,521	694,184	3,363,810
1847	2,650,058	772,840	1,706,780	443,719	3,614,637	8,637,377

STATE OF TRADE.

THE blockade of the Elbe by the Danes, in consequence of the outbreak of hostilities between Denmark and Prussia, relative to the Sleswig-Holstein dispute, had an unfavourable effect upon the markets of the manufacturing districts at the commencement of the month; and the improvement which had commenced was suddenly checked. The state of trade, however, is decidedly improving; and it will be seen by the following official return, made up to the 16th May, of the number of mills and workpeople engaged at Manchester, as compared with the corresponding period of the previous month, that the operatives are more fully employed, the number working short time and wholly unemployed having considerably diminished.

	Mills.		Work people.	
	18th April, 1848.	16th May.	18th April, 1848.	16th May.
Working full time	.. 138 ..	.. 154 ..	.. 27,836 ..	.. 30,706
Working short time	.. 53 ..	.. 35 ..	.. 8,342 ..	.. 6,090
Stopped work	..... 18 ..	.. 20 ..	.. 8,511 ..	.. 7,937
	209 ..	209 ..	44,689 ..	44,733

The following remarks from the circular of Messrs. *Fraser, Son and Co.*, of Manchester, on the general prospects of trade, represent accurately we believe, the views entertained on this important point by the best informed mercantile men. They say, "With all these uncertainties as to the immediate course of our market, (and in the midst of so many perplexities it would be unwise for us, as buyers, to form any such decided opinion as would lead us to any other course of action than that of being guided from day to day by passing

events), there can be little doubt that, prospectively, the country at large is rapidly gathering together the elements of great future prosperity, in which the trade of this district is likely to participate in the fullest extent. An influx of floating capital from various parts of the world into Great Britain, on account of the security of its government and institutions—a steadily improving condition of our mercantile finances, as evidenced by the position of the Bank of England, the gradual decline in the value of money, the more limited amount of mercantile bills in circulation, and the comparative freedom from extensive failures—an abundant supply, and a low price of cotton, and of other raw materials of our manufactures—a low range of prices, and full supply of the principle articles of food, and the prospect of the continuance of this great blessing, should our present harvest prospects be realized—a comparative absence of that severe internal drain on the commerce of the country which in the enormous railway expenditure of last year absorbed, and fixed, so much of its floating capital—the large extent to which political disturbances abroad have interfered, and may yet be expected to interfere, with manufacturing operations on the continent—all these circumstances of a favourable nature for our trade, coupled with the fact of the very limited production of yarns and cotton piece goods during the whole of last year, and up to the present period, must, sooner or later, exert a most beneficial influence on our trade, and we would hope at an earlier period than many would now venture to anticipate.

BANK OF ENGLAND RETURNS.

From the weekly returns, it will be observed that the position of the Bank has become much strengthened during the last fortnight: the drain of *bullion* which had taken upwards of two millions sterling from its coffers having ceased, and large imports having been received. It appears that there are further large sums of gold *in transitu*; and as the total amount is now only about two millions under the highest sum of bullion held at any time since the commencement of the new Act, we should not be surprised to see it nearly reach that maximum before long. The *reserve* has also considerably increased, the dividends being all paid, and large sums being received daily on account of the public revenue. It will be observed that the "*other deposits*" have decreased, in consequence of an improved demand for money; but the *other securities* have diminished weekly in amount. It was considered probable, by some parties, that a reduction in the rate of interest might be made, in order that the surplus money in the Bank's hands might be brought into use; but the minimum has been maintained unaltered; and we hardly expect that the directors will make any reduction until the position of affairs on the Continent becomes more settled.

The weekly returns have been:—

Date. 1849.	Circulation.	LIABILITIES.				Total Deposits.	Rest.	Total Liabilities
		Public Deposits.	Private Deposits.					
April 15	19.62 ..	3.12 ..	11.95 ..	15.07 ..	3.40 ..	38.09		
" 22	19.78 ..	2.32 ..	11.43 ..	13.75 ..	3.40 ..	36.94		
" 29	19.68 ..	2.28 ..	11.05 ..	13.33 ..	3.41 ..	36.42		
May 6	19.70 ..	2.43 ..	10.25 ..	12.68 ..	3.43 ..	35.82		
" 13	19.43 ..	3.44 ..	9.76 ..	13.20 ..	3.44 ..	36.06		
" 20	19.12 ..	4.41 ..	9.18 ..	13.59 ..	3.44 ..	32.62		

Date. 1849.	Public Securities.	Private Securities.	ASSETS.		Bullion in Issue De- partment.	Total Bullion.	Total Assets.
			Bullion in Banking De- partment.				
April 15	12.73 ..	11.60 ..	9.16 ..	4.60 ..	13.76 ..	38.09	
" 22	12.27 ..	11.45 ..	8.46 ..	4.77 ..	13.23 ..	36.94	
" 29	12.03 ..	11.51 ..	8.26 ..	4.61 ..	12.87 ..	36.42	
May 6	11.71 ..	11.28 ..	8.20 ..	4.62 ..	12.82 ..	35.82	
" 13	11.71 ..	11.26 ..	8.76 ..	4.33 ..	13.09 ..	36.06	
" 20	11.71 ..	11.63 ..	9.28 ..	4.10 ..	13.38 ..	32.62	

THE ENGLISH FUNDS.—Daily Prices from 27th April, 1848, to 26th May, 1848, inclusive.

	27	28	29	1	2	3	4	5	6	8	9	10	11	12	13	15	16	17	18	19	20	22	23	24	25	26
HOLIDAY.																										
Bank Stock (div. 9 per Ct.).	188	189½	189		190	190	190	189	189	190	191	191½	190	190	189½	190	189½	191	191½	192	..	193	190½	193	193	193
3 per Ct. Red. Anns.	80½	81	80½		82	82	81½	81½	82½	82½	82½	82½	82½	82½	81½	81½	81½	82½	82½	82½	82½	82½	82½	82½	82½	82½
3 per cent. Consols Anns.	81½	82½	82½		83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	83½	84	84	84½	84½	84½	84½	84½
3 per cent. Anns. 1725	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3½ per cent. Anns.	81½	82	82½		83	83½	83½	83½	83½	83½	83½	83½	83½	83½	82½	82½	82½	83½	83½	83½	83½	83½	83½	83½	83½	83½
New 5 per cent. Anns.	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Long Anns. Jan. 5, 1850	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto 30 years, Oct. 10, 1850	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto 30 years, Jan. 5, 1850	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto 30 years, Jan. 5, 1850	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India Stock (div. 10½ per cent.)	228	229½	230		233½	233½	233½	229	229	233½	233½	233½	231½	231½	233½	233½	233½	233½	233½	230½	230½	243½	234	234	234	234
Ditto Bonds £1000 (div. 4½ p. c.)	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto, under £1000	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
South Sea Stock (div. 3½ p. c.)	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Do. Old Anns. (div. 3 p. c.)	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Do. new Anns. (div. 3 p. c.)	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3 per cent. Anns. 1751 do.	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Bank Stock for acct. May 9	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
3 p. Cent. Cons. for do. May 9	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
India Stock for do. May 9	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ex. Bills £1000, 24d.	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto. £500 do.	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto. Small do.	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Ditto. Advertised	..	..	..		..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..

JOINT STOCK BANKS.

	Latest Price.
Australasia	£40 sh., 0pd.
British North American	50 0
Commercial of London	100 0
London and Westminster	100 0
Ditto, New	20 0
London Joint Stock	7 0
	50 10 0

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 5 per Cent.	..	48	17½
Belgian Bonds, 4½ per Cent.	..	61	58½
Brazilian Bonds, 5 per Cent.	..	70	133
Buenos Ayres Bonds, 6 per Cent.	..	22	..
Cuba Bonds, 6 per Cent.	..	..	..
Chilian Bonds, 6 per Cent.	..	80½	..
Ditto, 3 per Cent. Spanish Bonds	..	..	7
Portuguese Bonds, 4 per Cent.	..	..	..
Russian Bonds, 1822, 5 per Cent. in £ Ster.	..	..	..
Spanish Bonds 5 per C. div. from Nov. 1840	..	..	..
Ditto, Passive Bonds	..	..	..
Ditto, Deferred	..	..	..
Ditto, 3 per Cent. Spanish Bonds	..	..	..

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. April 22nd.	1848. April 29th.	1848. May 6th.	1848. May 13th.	1848. May 20th.
Notes issued.....	£ 26,621,920	£ 26,261,825	£ 26,176,255	£ 26,364,090	£ 26,661,410
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,984,000	2,984,000	2,984,000	2,984,000	2,984,000
Gold coin and bullion.....	10,756,882	10,556,303	10,612,421	10,921,609	11,368,767
Silver bullion.....	1,871,066	1,769,822	1,566,684	1,442,391	1,452,663
	26,621,920	26,261,825	26,176,255	26,364,090	26,661,410

BANKING DEPARTMENT.

	1848. April 22nd.	1848. April 29th.	1848. May 6th.	1848. May 13th.	1848. May 20th.
Proprietors' capital.....	£ 14,553,006	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	3,406,092	3,406,300	3,455,766	3,438,576	3,442,078
Other deposits.....	2,321,338	2,383,391	2,436,781	2,442,607	2,447,182
Seven day and other bills.....	11,435,742	11,049,318	10,450,073	9,756,433	9,189,604
	1,021,500	1,086,491	1,077,381	1,101,270	1,036,108
	32,756,672	32,374,100	31,753,900	32,291,866	32,627,972
Government securities (including Dead Weight Annuity).....	12,366,630	12,634,628	11,713,630	11,713,630	11,713,630
Other securities.....	12,001,566	12,665,481	11,896,062	11,811,928	11,630,533
Notes.....	7,860,885	7,558,750	7,554,455	8,636,820	8,566,010
Gold and silver coin.....	606,421	616,841	649,853	725,516	717,809
	32,756,672	32,374,100	31,753,900	32,291,866	32,627,972

The Exchanges.

	April 28th.	May 5th.	May 12th.	May 19th.	May 26th.
Amsterdam, 3 months.....	12 4	12 5	12 4½	12 3½	12 3½
Ditto at sight.....	—	—	—	—	—
Rotterdam, short.....	—	12 4½	12 5	12 5	12 3½
Antwerp, 3 months.....	—	25 50	26 20	26 10	26 10
Hamburg, ditto.....	13 12	13 15	13 14½	13 15	13 14½
Paris, short.....	25 35	26 50	26 50	25 60	26 60
Paris, 3 months.....	—	—	—	—	—
Marseilles, ditto.....	26	—	—	26	25 90
Bordeaux, ditto.....	—	—	—	—	—
Frankfort, ditto.....	124	—	122½	—	122
Vienna, ditto.....	—	12	—	11 30	—
Trieste, ditto.....	12	12	—	—	—
Madrid, ditto.....	43	—	—	49	45½
Cadix, ditto.....	—	46½	45	—	—
Lisbon, ditto.....	31	31	31	31 00	31 50
Genoa, ditto.....	26	26	25 50	—	25 80
Naples, ditto.....	—	30½	30½	—	—
Palermo, ditto.....	—	—	—	—	—
Messina, ditto.....	—	—	—	—	—
Lisbon, 60 days' date.....	51½	52	52	52	52½
Oporto, ditto.....	51½	51½	51½	—	—
Rio Janeiro, ditto.....	25	—	—	—	—

Bankers' Magazine Appendix, June, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT		
		April 1.	April 8.	April 15.
	£	£	£	£
1 Andover Bank	17,751	10,755	11,571	11,881
2 Ashford Bank.....	11,849	10,317	11,625	10,511
3 Aylsham Bank	5,854	5,064	5,025	5,511
4 Aylesbury Old Bank	48,461	32,365	31,767	31,211
5 Baldock and Biggleswade Bank ..	37,223	28,647	29,702	29,111
6 Barnstaple Bank	17,182	11,952	12,114	12,111
7 Basingstoke and Odiham Bank....	24,730	18,570	18,241	17,511
8 Bedford Bank.....	34,218	32,850	32,859	32,211
9 Bedford and Bedfordshire Bank ..	8,515	6,086	6,175	6,311
10 Bewdley Bank	18,597	13,083	12,964	12,611
11 Bicester and Oxfordshire Bank....	27,090	14,129	14,377	15,911
12 Birmingham Bank—Attwoods & Co.	23,695	23,712	24,335	23,711
13 Birmingham and Warwickshire Bk.	18,132	14,914	14,009	14,511
14 Blandford Bank	9,723	8,295	7,735	7,211
15 Boston Bank—Garfit and Co.	75,069	60,990	72,297	81,911
16 Boston Bank—Gee and Co.	15,161	13,810	14,629	15,111
17 Bridgewater Bank	10,028	8,137	8,284	8,811
18 Bristol Bank	48,277	30,388	31,580	33,211
19 Broseley and Bridgenorth Bank ..	26,717	18,661	18,501	19,111
20 Buckingham Bank	29,657	20,793	20,913	21,411
21 Bury and Suffolk Bank	82,362	71,330	71,868	71,011
22 Banbury Bank	43,457	26,771	27,375	27,611
23 Banbury Old Bank	55,153	37,990	38,185	38,011
24 Bath City Bank	4,572	2,698	2,356	2,311
25 Bedfordshire Leighton Buzzard Bk.	36,829	31,824	31,958	33,511
26 Birmingham Bank—Taylor & Lloyds	38,816	29,584	31,232	33,511
27 Bradford Old Bank	12,676	11,776	11,835	11,211
28 Brecon Old Bank	68,271	51,652	55,692	52,411
29 Brighton Union Bank	33,794	29,638	31,232	30,411
30 Burlington and Driffield Bank	12,745	10,973	11,126	11,011
31 Bury St. Edmund's Bank.....	3,201	3,286	3,882	2,781
32 Bromsgrove Bank	16,799	15,190	14,908	15,511
33 Cambridge Bank—Mortlock & Son's	25,744	21,245	21,096	21,221
34 Cambridge and Cambridgeshire Bk.	49,916	43,305	45,045	45,711
35 Canterbury Bank	33,671	26,116	27,050	26,761
36 Carmarthen Bank	23,597	14,504	14,426	15,011
37 Chertsey Bank	3,436	3,220	3,266	3,131
38 Colchester Bank.....	25,082	17,867	17,757	17,511
39 Colchester and Essex Bank	48,704	33,025	32,569	32,441
40 Cornish Bank	49,869	35,696	37,235	37,611
41 Coventry Bank	12,045	9,738	10,638	9,781
42 City Bank, Exeter.....	21,527	16,538	16,567	17,211
43 Craven Bank	77,154	75,670	78,330	78,511
44 Christchurch Bank.....	2,840	1,627	1,576	1,741
45 Cardiff Bank	7,001	5,522	5,827	5,391
46 Chepstow Old Bank	9,387	6,495	6,373	6,321
47 Derby Bank—Messrs. Evans	13,332	13,400	13,798	12,561
48 Derby Bank—Smith and Co.	41,304	40,040	40,936	39,491
49 Derby Old Bank	27,237	28,607	28,355	25,961
50 Devizes and Wiltshire Bank	20,674	11,635	11,970	13,021
51 Diss Bank	10,657	10,147	9,618	9,481
52*Doncaster Bank and Retford Bank	77,400	57,688	61,576	61,941
53 Darlington Bank	86,218	71,463	75,554	76,171

* NOTE.—The fixed issue of this bank (Sir W. B. Cooke & Co.) is increased from the authorized addition of the Doncaster Bank fixed issue of Messrs. Leatham & Co., £13,881, being now united, as stated in *Bankers' Magazine* for March last, page 203.

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		April 1.	April 2.	April 16.	April 22.
	£	£	£	£	£
54 Devonport Bank	10,664	8,926	9,104	9,179	9,941
55 Dorchester Old Bank	48,807	30,443	33,475	34,215	35,335
56 East Cornwall Bank	112,280	86,242	87,859	88,798	88,454
57 East Riding Bank	53,392	47,552	49,522	51,632	51,208
58 Essex Bk. & Bishops Stortford Bk.	69,637	44,495	44,779	44,329	42,579
59 Exeter Bank	37,894	24,828	26,037	26,063	27,203
60 Fakenham Bank	24,293	18,101	19,212	19,394	18,750
61 Faringdon Bank & Bk. of Wantage	8,977	6,111	6,313	5,805	5,555
62 Farnham Bank	14,202	12,195	12,385	12,045	11,798
63 Faversham Bank	6,681	5,242	5,639	6,114	5,608
64 Godalming Bank	6,322	5,181	5,154	5,349	5,857
65 Grantham Bank—Kewney & King	19,401	16,666	13,905	9,135	7,617
66 Guildford Bank	14,524	11,617	11,538	11,734	11,952
67 Grantham Bank—Hardy & Co. . .	30,372	21,234	22,600	26,158	25,189
68 Hastings Old Bank	38,038	23,378	23,668	25,017	24,850
69 Hereford City and County Bank..	22,364	12,640	13,945	14,641	14,486
70 Hertford and Ware Bank	23,635	21,862	21,798	21,402	21,333
71 Hull & Kingston-upon-Hull Bank	19,979	18,496	20,628	20,265	19,536
72 Huntingdon Town & County Bank	56,591	41,720	41,216	40,805	40,230
73 Harwich Bank	5,778	4,970	5,650	4,986	4,940
74 Hemel Hempstead Bank	23,842	20,301	20,313	20,298	21,160
75 Hertfordshire, Hitchin Bank	38,764	35,551	36,629	37,684	37,714
76 Hereford, Ross, & Archenfield Bk.	27,625	18,601	19,239	19,601	19,194
77 Ipswich Bank	21,901	19,297	19,114	20,075	20,195
78 Ipswich & Needham Market Bank	80,699	70,327	71,127	76,133	75,555
79 Kentish Bank	19,895	11,763	11,920	12,311	12,016
80 Kington and Radnorshire Bank ..	26,050	19,105	18,947	19,729	21,766
81 Knighton Bank	9,090	7,313	7,636	7,145	7,601
82 Knaresborough Old Bank	21,825	18,790	19,158	19,405	20,443
83 Kendal Bank	44,663	35,363	35,415	35,449	36,448
84 Kettering Bank	9,192	8,726	8,262	7,635	8,474
85 Lane End Staffordshire Bank	5,624	5,374	5,245	5,125	5,375
86 Leeds Bank	53,357	49,409	50,683	50,089	50,360
87 Leeds Union Bank	37,459	32,267	34,116	33,391	33,592
88 Leicester Bank	32,822	27,098	27,818	27,658	27,896
89 Lewes Old Bank	44,836	30,488	32,167	32,850	33,763
90 Lichfield Bank	22,786	21,000	21,224	20,486	20,976
91 Lincoln Bank	100,342	79,865	81,819	86,002	90,500
92 Llandoverly Bank & Llandilo Bank	32,945	14,740	13,300	16,509	17,623
93 Loughborough Bank	7,359	7,917	8,110	7,766	5,647
94 Lymington Bank	5,038	3,521	3,343	3,033	3,061
95 Lynn Regis and Lincolnshire Bank	42,817	37,028	38,414	40,350	39,501
96 Lynn Regis and Norfolk Bank ..	13,917	12,446	13,575	13,644	13,425
97 Macclesfield Bank	15,760	10,400	10,735	11,170	11,779
98 Manningtree Bank	7,692	7,030	6,995	6,410	6,297
99 Marlborough Bank	19,073	14,032	14,325	12,626	12,710
100 Marlboro & North Wiltsh. New Bk.	12,490	7,288	7,604	8,017	7,243
101 Merionethshire Bank	10,906	5,037	5,919	6,572	6,838
102 Miners' Bank	18,688	13,920	13,619	12,892	12,526
103 Monmouthsh. Agricul. & Com. Bk.	29,335	23,347	24,260	24,510	24,300
104 Monmouth Old Bank	16,385	12,139	11,925	12,975	13,802
105 Monmouthshire Newport Old Bank	8,600	8,676	8,576	7,913	7,998
106 Newark Bank	28,788	21,907	22,473	23,558	23,748
107 Newark and Sleaford Bank	51,615	44,925	48,990	48,918	49,140
108 Newbury Bank	36,787	18,933	18,735	18,980	19,450
109 Newmarket Bank	23,098	17,700	18,613	19,972	20,329
110 Norfolk and Suffolk Bank	4,551	2,027	2,099	2,145	2,310
111 Norwich Crown Bank	45,120	40,063	42,105	42,771	41,408

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT		
		April 1.	April 8.	April 15.
	£	£	£	£
112 Norwich and Norfolk Bank.....	75,372	59,414	63,037	63,480
113 Nottingham & Nottinghamsh. Bk.	10,866	9,859	9,666	9,466
114 Nuneaton Bank	5,898	4,694	5,021	5,051
115 Naval Bank, Plymouth	27,321	23,293	24,498	25,570
116 New Sarum Bank	15,659	10,515	11,506	10,366
117 Nottingham Bank	31,047	27,606	28,242	28,444
118 Oswestry Bank	18,471	11,429	12,504	12,066
119 Oxford Bank	14,277	9,966	10,255	10,944
120 Oxford Old Bank	34,391	30,705	32,155	31,099
121 Old Bank Tonbridge	13,183	6,980	7,296	7,999
122 Oxfordshire Witney Bank	11,852	9,554	8,985	8,444
123 Pease's Old Bank, Hull	48,807	45,048	46,140	46,966
124 Penzance Bank	11,405	10,107	10,332	9,766
125 Peterborough Bank—Yorke & Co.	12,545	8,194	9,662	9,333
126 Peterborough Bk.—Simpson & Co.	12,832	11,767	11,683	12,344
127 Pembrokeshire Bank	12,910	6,431	6,837	7,133
128 Reading Bank—Simmonds & Co.	37,519	24,935	25,335	25,488
129 Reading Bank—Stephens & Blandy	43,271	22,965	24,332	24,622
130 Richmond Bank, York	6,889	3,973	4,085	4,588
131 Ringwood and Poole Bank	11,856	8,482	8,193	8,077
132 Rochdale Bank	5,590	3,536	3,863	3,866
133 Rochester, Chatham, & Strood Bk.	10,480	8,219	9,774	9,855
134 Royston Bank	16,393	14,518	14,715	14,822
135 Rugby Bank	17,250	15,766	15,829	15,466
136 Rye Bank	29,864	15,869	18,972	18,122
137 Reigate and Dorking Bank	13,700	10,436	11,390	11,411
138 Ross Old Bank, Herefordshire ..	7,420	3,745	3,853	4,277
139 Saffron Walden & North Essex Bk.	47,646	37,637	36,910	36,477
140 Salop Bank	22,338	10,991	10,980	11,566
141 Scarborough Old Bank	24,813	20,650	20,964	21,722
142 Shrewsbury Old Bank	43,191	27,365	27,487	28,344
143 Sittingbourne and Milton Bank ..	4,789	2,922	3,248	2,788
144 Southampton Town & County Bk.	18,589	12,022	13,563	13,733
145 Southwell Bank	14,744	12,925	12,923	13,266
146 St. Albans Bank	3,743	1,340	978	1,000
147 Southampton and Hampshire Bank	6,770	2,980	3,245	3,433
148 Stone Bank	9,154	5,261	5,335	5,511
149 Stourbridge Bank	17,295	14,346	14,321	15,422
150 Stafford Old Bank	14,166	14,089	14,185	13,922
151 Stamford and Rutland Bank	31,858	26,690	27,655	26,922
152 Stourbridge Old Bank	17,560	17,560	17,658	16,922
153 Shrewsbury and Welsh Pool Bank	25,336	19,326	20,046	22,322
154 Taunton Bank	29,799	19,284	19,287	18,977
155 Tavistock Bank	13,421	10,170	10,744	10,444
156 Thornbury Bank	10,026	9,345	9,790	9,899
157 Tiverton and Devonshire Bank ..	13,470	7,310	7,019	6,944
158 Thrapstone and Kettering Bank ..	11,559	10,079	9,951	10,188
159 Tring Bank and Chesham Bank ..	13,531	13,170	13,307	12,977
160 Towcester Old Bank	10,801	8,540	8,477	8,622
161 Union Bank, Cornwall	17,003	8,015	8,091	7,299
162 Uxbridge Old Bank	25,136	17,228	17,468	18,033
163 Wallingford Bank	17,064	7,970	8,033	8,044
164 Warwick and Warwickshire Bank	30,504	24,479	25,641	25,802
165 Wellington Bank, Somerset	6,528	2,895	2,995	3,244
166 West Riding Bank	46,158	41,895	43,869	42,999
167 Whitby Old Bank	14,258	12,664	14,095	14,777
168 Winchester, Alresford & Alton Bk.	25,892	17,766	18,331	18,944
169 Winchester and Hampshire Bank	6,737	4,145	4,563	4,600

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		April 1.	April 8.	April 15.	April 22.
South Old Bank	£ 16,461	£ 11,078	£ 12,002	£ 11,989	£ 12,280
Sworth and Derbyshire Bank	37,602	31,431	32,713	33,105	33,958
th and Lincolnshire Bank	59,713	48,662	52,534	54,490	54,629
acombe Bank	7,302	6,613	6,590	6,128	5,898
hampton Bank—Goo					
o.	11,80	11,372	11,944	12,116	12,719
ster Bank	15,463	9,789	9,610	9,819	10,368
ster Old Bank	87,448	70,259	72,641	71,160	73,062
stershire Bank	14,309	9,721	9,743	10,112	11,475
l Old Bank	19,937	19,370	19,873	20,275	19,670
ster and Wiltshire Bank	24,896	12,554	12,200	12,787	12,905
am Bank	3,289	935	838	761	709
hampton Bank—R. & W.					
r	11,867	7,933	7,410	8,578	9,494
uth and Suffolk Bank	53,060	45,751	47,093	46,834	45,065
uth, Norfolk, & Suffolk Bk.	13,229	11,099	10,992	11,522	12,048
Old Bank	10,033	5,876	6,104	6,251	6,425
ank	46,387	38,567	42,076	42,607	41,757

JOINT STOCK BANKS.

Westmoreland	12,225	7,820	7,660	7,897	7,694
y Banking Company	9,563	8,581	8,889	8,001	8,058
l Banking Company	49,292	40,776	41,318	44,062	43,694
District Banking Company	9,418	9,564	9,463	9,240	9,150
Whitehaven	32,681	27,496	27,325	27,079	27,820
l Commercial Banking Co.	20,084	13,500	13,300	13,311	13,850
Uttoxeter, and Staffordshire Bank					
Bank	60,701	59,494	62,591	60,285	57,894
ield & N. Derbysh. Bk. Co.	10,421	8,204	8,096	8,607	8,980
land Union Banking Co.	35,395	28,750	28,666	28,808	30,468
am & Glo'stershire Bk. Co.	12,786	9,263	9,152	9,093	9,453
y & Warwickshire Bk. Co.	28,734	22,341	22,792	22,514	23,215
y Union Banking Company	16,251	12,535	14,660	15,615	13,391
of Gloucester Banking Co.	144,352	95,593	99,560	101,053	101,639
& Cumberland Banking Co.	25,610	22,888	23,010	22,832	23,034
City and District Bank	19,972	18,565	18,334	17,886	19,302
& West Bromwich Bkg. Co.	37,696	37,514	36,876	36,330	37,501
nd Derbyshire Banking Co.	20,093	21,313	19,309	18,050	18,093
on Dist. Joint Stock Bk. Co.	26,134	18,262	18,585	19,280	19,855
England Bank	25,025	24,680	25,056	24,039	23,972
stershire Banking Company	155,920	130,485	134,545	138,065	140,090
Joint Stock Bank	18,534	12,499	12,735	13,195	13,423
field Banking Company	37,354	30,414	31,017	32,840	34,783
anking Company	29,333	28,741	28,794	28,681	27,793
Commercial Banking Co.	13,733	7,640	7,848	8,115	8,139
& Huddersfield Union Bank	44,137	25,497	26,510	28,946	27,996
Banking Company	1,503	1,158	1,558	1,439	1,369
shire Banking Company	25,047	17,341	19,422	18,155	19,688
orough and Claro Bkg. Co.	28,059	24,532	25,138	25,810	25,623
idge Joint Stock Bank	3,952	4,099	3,842	3,948	3,894
er Banking Company	64,311	58,244	57,751	57,598	60,913
anking Company	23,076	20,760	21,444	21,405	19,971
shire Banking Company	86,060	67,587	70,399	74,423	74,057
and Lindsay Banking Co.	51,620	46,185	50,854	53,081	53,492
gton Priors & Warwicksh. Bk.	13,875	11,202	11,890	12,097	11,142
and Tenbury Bank	10,215	8,297	8,644	8,080	9,478

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issues.	AVERAGE AMOUNT.			
		April 1.	April 8.	April 15.	April 22.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	23,698	23,061	22,638	23,940
37 Nottingham and Notts. Banking Co.	29,477	25,285	26,598	26,655	27,960
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	9,900	9,021	8,090	7,291
39 National Provincial Bk. of England	442,371	359,375	376,131	382,840	387,445
40 North Wilts Banking Company ..	63,939	44,818	46,632	49,530	50,525
41 Northamptonshire Union Bank ..	84,356	69,418	73,167	71,574	70,136
42 Northamptonshire Banking Co. ..	26,401	21,682	24,210	23,958	22,690
43 North and South Wales Bank	63,951	16,934	16,060	16,243	17,085
44 Pare's Leicestershire Banking Co...	59,300	50,503	54,339	53,963	56,186
45 Saddleworth Banking Company	8,122	1,735	1,800	1,860	1,885
46 Sheffield Banking Company	35,843	36,822	36,818	36,182	33,226
47 Stamford, Spalding & Boston Bk. Co.	55,721	47,289	50,825	48,538	50,535
48 Stuckey's Banking Company	356,976	257,981	266,735	270,557	271,390
49 Shropshire Banking Company	47,951	35,490	36,241	36,545	38,118
50 Stourbridge and Kidderminster Bk.	56,830	49,604	50,726	50,589	54,261
51 Sheffield and Hallamshire Bank	23,524	18,618	17,876	18,617	19,682
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,541	52,765	52,869	50,232
53 Swaledale and Wensleydale Bank...	54,372	46,403	48,698	48,940	50,713
54 Storey's and Thomas's Bank	9,714	10,632	9,185	9,183	9,553
55 Sheffield and Retford Bank	18,744	825	808	855	805
56 Wolverhampton & Staffordsh. Bank	35,378	30,859	32,259	36,785	37,320
57 Wakefield and Barnsley Union Bank	14,604	11,663	11,896	11,922	11,892
58 Whitehaven Joint Stock Bank	31,916	25,310	25,185	26,642	26,853
59 Warwick and Leamington Bkg. Co.	37,124	31,179	32,240	31,587	30,135
60 West of England and South Wales District Bank	83,535	67,148	70,541	68,772	67,963
61 Wilts and Dorset Banking Company	76,162	61,065	62,967	62,584	64,272
62 West Riding Union Banking Co. ...	34,029	25,830	24,378	24,672	24,917
63 Whitchurch and Ellesmere Bkg. Co.	7,475	3,000	3,417	3,155	2,877
64 Worcester City & County Bkg. Co.	6,848	4,467	4,218	4,869	4,242
65 York Union Banking Company ..	71,240	71,935	71,746	69,880	67,938
66 York City and County Banking Co.	94,695	86,370	89,188	89,634	91,138
67 Yorkshire Banking Company	122,532	105,592	109,567	110,870	111,105

Summary of the above Returns.

	Fixed Issues.	April 1.	April 8.	April 15.	April 22.
	£	£	£	£	£
187 Private Banks	4,880,389	3,745,466	3,862,534	3,900,018	3,900,497
67 Joint Stock Banks ..	3,409,987	2,685,827	2,766,331	2,791,458	2,813,224
254 Totals	8,290,376	6,431,293	6,628,865	6,691,476	6,713,721

Average Weekly Circulation of these Banks for the month ending April 22nd:—

Private Banks.....£3,852,129

Joint Stock Banks.....2,764,210

Average Weekly Circulation of Private and Joint Stock Banks

ending as above£6,616,339

On a comparison of the above with the Returns for the Month ending 25th Mar. last, it shows—

An increase in the Notes of Private Banks, of£253,850

A increase in the Notes of Joint Stock Banks, of191,867

Total increase on the Month£445,717

CIRCULATION RETURNS.

And, as compared with the Month ending the 24th April, 1847, it shows—

A decrease in the Notes of Private Banks, of £873,186
A decrease in the Notes of Joint Stock Banks, of 536,847

Total decrease, as compared with the same period of last year £1,410,033

The fixed issues of the several Banks of Issue in England and Wales, excepting the Bank of England, are now, according to the *Banking Almanac* for 1848, as follows:—

187 Private Banks, allowed to issue..... £4,880,389
67 Joint Stock Banks, allowed to issue..... 3,409,987

254 Total fixed issue £8,290,376

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue £1,028,260
The Joint Stock Banks are below their fixed issue 645,777

Total below the fixed issue.....£1,674,037

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 22nd day of April, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£.
Bank of Scotland	300,485	96,594	211,395	307,988	164,130
Royal Bank of Scotland ..	183,000	55,232	120,332	175,564	79,548
British Linen Company....	438,024	110,710	252,302	363,012	149,084
Commercial Bk. of Scotland	374,880	126,890	272,308	399,198	137,710
National Bank of Scotland	297,024	88,718	183,091	271,810	74,277
Union Bank of Scotland ..	327,223	98,859	192,003	290,862	96,137
Edinburgh & Glasgow Bk.	136,657	46,245	67,593	113,838	36,759
Banking Com. in Aberdeen	88,467	27,642	67,102	94,744	28,825
Aberdeen Town and Co. Bk.	70,133	23,019	51,804	74,823	13,216
North of Scotland Bk. Co.	154,319	45,818	85,947	131,766	20,306
Dundee Banking Company	33,451	5,311	19,022	24,333	5,811
Eastern Bank of Scotland..	33,636	9,626	20,490	30,117	5,859
Western Bank of Scotland	337,938	84,997	256,289	341,286	103,953
Clydesdale Banking Co. ..	104,028	22,120	72,390	94,510	33,500
City of Glasgow Bank	72,921	40,548	56,486	97,035	52,782
Caledonian Banking Co. ..	53,434	13,655	33,188	46,843	14,890
Perth Banking Company ..	38,656	10,562	23,249	33,812	13,174
Central Bank of Scotland..	42,933	12,353	30,277	42,630	9,692
TOTALS (Scotch Banks) ..	3,087,209	918,899	2,015,268	2,934,171	1,039,653

IRISH BANKS.

Bank of Ireland	3,738,428	1,879,800	1,108,600	2,988,400	769,009
Provincial Bank.....	927,667	331,195	451,229	782,424	368,784
Belfast Bank	281,611	32,534	203,472	236,006	94,527
Northern Bank	243,440	24,237	147,720	171,957	60,228
Ulster Bank	311,079	23,163	176,328	199,492	61,066
National Bank	761,757	223,619	341,687	565,307	250,537
Carrick-on-Suir Nat. Bank	24,084	5,155	9,460	14,615	4,012
Clonmel National Bank ..	66,428	20,786	30,046	50,832	14,705
TOTALS (Irish Banks)	6,354,494	2,540,489	2,468,542	5,009,033	1,622,868

SUMMARY OF IRISH AND SCOTCH RETURNS TO APRIL 22nd.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 22nd April, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £5,009,033
Average Circulation of the Scotch Banks 2,934,171

Total Average Circulation of these Banks for the past month £7,943,204

On comparing these amounts with the Returns for the month ending 25th March last, they show—

Decrease in the Circulation of Irish Banks £98,362
Decrease in the Circulation of Scotch Banks 17,766

Total decrease last month £116,128

And as compared with the month ending 24th April, 1847, they show—

Decrease in the Circulation of Irish Banks £1,512,201
Decrease in the Circulation of Scotch Banks 461,353

Total decrease on the year £1,973,554

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue .. £6,364,494
18 Banks in Scotland, allowed to issue 3,667,369

26 Banks in all, allowed to issue £9,441,763

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £1,345,461
Scotch Banks are below their fixed issue 153,838

Total below the fixed issue £1,499,499

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks £1,622,966
Gold and Silver held by the Scotch Banks 1,639,653

Total of Gold and Silver Coin £3,262,521

Being a decrease of £57,569 on the part of the Irish Banks, and a decrease of £46,874 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO APRIL 22nd.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 22nd April, 1848.

Circulation of Notes for the Month ending April 22nd, as compared with the previous month :

	Mar. 25, 1848	Apr. 22, 1848.	Increase.	Decrease.
Bank of England.....	£17,779,300	£18,316,736	537,526	—
Private Banks	3,598,379	3,852,139	253,850	—
Joint Stock Banks	2,572,343	2,764,210	191,867	—
Total in England.....	23,949,822	24,933,065	983,243	—
Scotland.....	2,951,937	2,934,171	—	17,766
Ireland	5,107,395	5,009,033	—	98,362
United Kingdom.....	£32,009,154	£32,876,269	867,115	—

The comparison of the month ending April 24, 1847, with the month ending April 22, 1848, shows a decrease in the Bank of England circulation of £1,766,098, a decrease in Private Banks of £873,186, and a decrease in Joint Stock Banks of £536,847; being a total decrease in England of £3,176,131: while in Scotland there is a decrease of £461,353; and in Ireland a decrease of £1,512,201. Thus showing that the month ending April 22nd, as compared with the same period last year, presents a decrease of £3,176,131 in England, and a decrease of £5,149,685 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending April 22nd, gives an aggregate amount in both departments of £14,201,473. On a comparison of this with the Return for the month ending March 25th, there appears to be a decrease of £863,783; and as compared with the month ending April 24th, 1847, being the corresponding period last year, there is an increase of £4,537,175.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 22nd April, was £2,662,521, being a decrease of £103,443, as compared with the preceding month, and a decrease of £620,650, as compared with the corresponding period last year.

BANKERS' MAGAZINE ;

AND

Journal of the Money Market.

JULY, 1848.

REPORT OF THE COMMITTEE ON THE BANK CHARTER ACT, AND COMMERCIAL DISTRESS.

Committee appointed early in the present session of parliament to inquire into the operation of the Bank Charter Act, presented a *first* report to the House of Commons, embodying their opinion of the operation of the Act, and of the expediency of continuing it in force without alteration. This report, by the minutes of the Committee, to have been adopted by a majority of *two votes* out of twenty-four members who were present, and is as follows :—

REPORT ;—*The Secret Committee* “appointed to inquire into the Causes of the recent COMMERCIAL DISTRESS, and to report how far it has been affected by the Laws for regulating the Issue of Bank Notes payable on Demand,” and who were empowered to report from time to time to The House, have taken the subject fully into their consideration, and have agreed upon the following REPORT :—

In obedience to the order of the House, your Committee have entered into the matters referred to them, and having concluded their investigations so far as relates to England, have thought it expedient to report to the House their opinion on this branch of the subject, together with the evidence.

To complete the labour entrusted to them, the inquiry must be extended to Scotland and Ireland, and the Committee will persevere on this duty without delay.

During the period of difficulty, deputations from Liverpool and Birmingham had communicated with the Government.

Your Committee therefore thought it best to commence their inquiry by examining Mr. Hodgson and Mr. Turner from Liverpool, and Mr. Muntz and Mr. Salt from Birmingham.

“ Mr. Gurney, an eminent Bill-broker; Mr. Bates, of the firm of Baring Brothers, and Mr. Beavan, a London Banker, and selected by the London Bankers, were examined by the Committee, more especially with respect to the distress and difficulty which had been experienced in the Metropolis.

“ Mr. Birkbeck, a private banker, selected by the country bankers, and Mr. Pease, connected with the northern coal districts, were also examined in the course of our investigations.

“ Full evidence respecting the proceedings of the Bank were given to the Committee by Mr. Horsley Palmer, a director; by the governor and deputy-governor, and by Mr. Cotton, who was governor of the Bank in 1844. The Bank has also furnished to the Committee much information, in the returns which will be found in the Appendix.

“ Lastly, the Committee thought it advisable to call before them Mr. Jones Loyd, Mr. Tooke, and Mr. Taylor, gentlemen who are well known to have given much attention to our monetary system.

“ There has been a general concurrence of opinion amongst the witnesses examined before your Committee, that the primary cause of the distress was the deficient harvest, especially of the potato crop, in the year 1846, and the necessity of providing the means of payment in the year 1847, for the unprecedented importations of various descriptions of food which took place in that year.

“ Among other causes, the deficient supply of cotton, the diversion of capital from its ordinary employment in commercial transactions to the construction of railroads, the undue extension of credit, especially in our transactions with the East, and exaggerated expectations of enlarged trade, have been stated by some of the witnesses as having contributed to the same result.

“ Your Committee see no reason to doubt that these causes have, in different degrees in different parts of the country, produced the effect thus ascribed to them.

“ For the further development of the views entertained on these various points by the gentlemen whom they have examined, they must refer to the evidence.

“ With regard to some of the circumstances above referred to, provision has already been made by Parliament, and it must be obvious that others are beyond the control of legislative enactment.

“ Many of the witnesses, including the governor and deputy-governor of the Bank of England, have expressed their belief

earlier steps in the autumn of 1846 and the Spring of 1847, the part of the Bank of England, might have obviated the necessity for the more stringent measures which circumstances compelled the directors to adopt in April, and might thus have averted the alarm which was caused by those measures. The grounds on which that belief is entertained, together with the considerations which influenced the proceedings of the Bank, are set forth in the evidence of those witnesses who were examined on this branch of the subject. It is one, in respect to which a discretion must necessarily be left with those who are entrusted with the management of the business of the Bank, and your Committee trust that this discretion will be exercised with prudence, if similar circumstances should again occur.

An opinion appears to have been entertained by some persons, though not by the governor and deputy-governor of the Bank of England, that the Bank is released by the Act of 1844 from any obligation except that of consulting the pecuniary interests of its proprietors.

It is true that there are no restrictions imposed by law upon the discretion of the Bank, in respect to the conduct of the banking, as distinguished from the issue department. But the Bank is a public institution, possessed of special and exclusive privileges, standing in a peculiar relation to the Government, and exercising, from the magnitude of its resources, great influence upon the general mercantile and monetary transactions of the country.

These circumstances impose upon the Bank the duty of a consideration of the public interest, not indeed enacted or defined by law, but which Parliament, in its various transactions with the Bank, has always recognized, and which the Bank has never neglected.

It is unnecessary to impose such duty by law, as there can be no doubt that the permanent interests of the Bank are identified with those of the public at large.

That identity of interest gives both to the public and to the proprietors of Bank stock a deep interest in every measure adopted to ensure an enlightened administration in the affairs of the Bank.

Your Committee have learnt, therefore, with satisfaction, that the attention of the court of Directors has been given to this subject, and that a change has been made by them, as to the selection of the governor and deputy-governor, calculated, in the opinion of your Committee, to improve the constitution of the governing body of the Bank.

They feel confident that the effect of this change, and the experience which has been acquired during the events of the last

two years, will ensure to the public, in the future management of the Bank of England, greater benefits from this national establishment than it has hitherto been the means of conferring on the country.

"Your committee have received, with deep regret, from the witnesses, evidence of the extent of loss incurred by commercial houses in the course of last autumn, from an unprecedented combination of the circumstances above referred to, and seriously aggravated by the want of confidence which prevailed in the sequence of the numerous failures; and which induced bankers and others to retain a reserve, both of gold and of bank-notes, to a very great extent. It is to be observed, that this took place with a very large amount of notes in the hands of the public, exceeding, in the opinion of a witness most competent to form an opinion, by no less than £4,000,000, "the actual requirement of the public at the time."

"The feeling of alarm which prevailed appears to have been immediately removed by the issue of the letter addressed to the Bank of England, on the 25th October, by the First Lord of the Treasury and the Chancellor of the Exchequer.

"The issue of that letter was, no doubt, an extraordinary exercise of power on the part of the Government; but the House has decided that, in the peculiar circumstances of that period, they were justified in taking that step. It will be seen from the evidence of Mr. Cotton, the governor of the Bank in 1844, that the possibility of circumstances arising, in which extraordinary measures might be called for, in consequence of a state of monetary crisis, was not unforeseen by the Government at the time when the Act of 1844 was passed.

"The evidence which has been given as to the effects of the Act of 1844 has been contradictory. Its beneficial effects, regards the issues of the country banks, have been admitted by many of the witnesses; and although some have suggested an alteration of its provisions, very few have contested the general principles on which it is founded.

"Your Committee have had under their consideration, whether it is advisable that powers should be conferred by law on the Government, to enable them to meet the occurrence of circumstances which may call for extraordinary interference. They have come to the conclusion that, looking to the impossibility of foreseeing what the precise character of the circumstances may be, and also what may be the measure best calculated to meet them, it is more expedient to leave to those with whom the responsibility of the Government may rest at the time, to take such measures as may appear to them best suited for the emergency.

“Your Committee, therefore, after a careful review of all the evidence, are of opinion that it is not expedient to make any alteration in the Bank Act of 1844.”

8th June, 1848.

This report, as already stated, was carried by a majority of two votes only, Mr. Hume having moved in opposition to its principal conclusion,—

“That in the opinion of this Committee the laws for regulating the issue of Bank notes payable on demand, aggravated the commercial distress in England in the year 1847.”

The members who voted on this resolution were as follows :

Ayes.	Noes.
Mr. T. Baring	Mr. Chancellor of the Exchequer
Lord G. Bentinck	Sir James Graham
Mr. Spooner	Sir Robert Peel
Mr. Herries	Lord John Russell
Mr. Cayley	Mr. Cobden
Mr. Alderman Thompson	Mr. Beckett
Mr. Hudson	Mr. Goulburn
Mr. Hume	Mr. Cardwell
Mr. D'Israeli	Mr. Labouchere
Mr. Glyn	Mr. J. L. Ricardo
Mr. James Wilson	Mr. Thorneley
	Sir W. Clay
	Mr. Home Drummond.
Ayes, 11.	Noes, 13.

Another amendment, moved by Mr. Cayley, and negatived, was as follows :—

“The evidence of all the witnesses engaged in commercial undertakings (except the deputy-governor of the Bank), is unanimous as to the disastrous effects of the Act of 1844. Four witnesses, indeed, out of seventeen, have defended the system on which that Act was founded; but of these four, one is generally believed to be the author of the system, another was the governor of the Bank, consulted by the framer of the Act of 1844, and the remaining two are the present governor and deputy-governor of the Bank. It appears, however, that the opinion of the Bank directors is nearly balanced as to the successful working of the Act of 1844.”

Nearly every paragraph in the report was made the subject of debate and division; and the only members of the Committee who do not appear to have voted were, Sir F. T. Baring, who was in the Chair, and Mr. Tennant, who did not attend.

In place of the report which was adopted, the following resolutions were proposed by Mr. Cayley, but rejected :—

1. “That it has been shown to the satisfaction of the Committee that the Bank Charter Act of 1844, if not the proximate cause of the late and still existing commercial distress, so increased its intensity as (more especially in

the last autumn) to convert the pressure into a panic; to the paralyzing consequences of which the mercantile public, solvent and insolvent, were alike exposed, until relieved by the Treasury letter of October 25, which operated instantaneously in mitigating its disastrous effects.

2. "That scarcity of food, and its high price (although doubtless productive of much individual privation, especially under severe banking restrictions, which lead at once to the disemployment of labour), do not necessarily produce a monetary crisis; as is proved by the case of 1800,—the year of the greatest scarcity in the present century, when all classes were reduced to a very diminished consumption of bread-corn, but when no monetary pressure occurred; notwithstanding that the average price of wheat in that year was 113s. a quarter; 43s. higher than the average price of 1847, which did not exceed 70s. a quarter. In the first instance, owing to the absence of a simultaneous monetary pressure, the employment of labour suffered little or no interruption; while, in the latter instance, the pressure arising out of our present monetary system checked production and the employment of labour at the very moment when great losses, from natural causes, were most requisite to be supplied; and thus directly aggravated and prolonged the distress.

3. "That if railways had caused the commercial distress, it could only have been by their absorbing part of the capital usually devoted to manufacturing and commercial production, which must probably have led to a diminished supply of goods, and to a rise in their price; which symptom failed to exhibit itself, notwithstanding a scanty supply of raw materials. Neither did the rate of interest increase until the Bank of England commenced its course of restriction early in 1847, to meet the drain of bullion for the payment of foreign corn. Whilst, in contradiction to the hypothesis that railway investments caused the scarcity of money in 1847, there is this remarkable fact, that the rate of interest in the discount market is at this moment only about three per cent., in spite of railway calls being as large as ever.

4. "That the working classes are the heaviest sufferers from monetary derangements, in consequence of the destruction of that credit and confidence on which commercial transactions are based, and by which the employment of labour is sustained.

5. "That a complete restoration of confidence and employment cannot be anticipated so long as the manufacturing, trading, and mercantile interests have reason to apprehend a repetition of the pressures and panics of 1847; which, while the Act of 1844 remains in operation, a system of free imports must tend to accelerate and multiply.

6. "That the frequent alternations of prosperity and adversity which this country has experienced since the war, are mainly traceable to sudden and violent oscillations in the value of money,—the necessary offspring of the monetary system we established on the return of peace, which rests the profits of trade and the wages of labour on the accidental variations in the supply of gold; the extreme severity of which system towards our trade and industry the Act of 1844, for the first time, made it impossible for the Bank of England to mitigate or evade.

7. "That, therefore, if it be desirable to restore a more lasting prosperity to trade, with its concomitant blessings of better employment and greater comfort and contentment to the people, no time should be lost in repealing laws which directly contribute to monetary derangements, and in enacting others which may offer some assurance that the natural risks of capital embarked in commerce shall not be artificially increased by constant fluctuations in the value of money; and that prudent adventure and honest industry shall not be disappointed of their fair reward."

Mr. Spooner also proposed a set of resolutions for adoption, which were negatived. Their general import is described in the the following sentence :—

“That, in the opinion of this Committee, the immediate attention of the Legislature should be directed to the adoption of such measures as will secure a monetary system adapted to the vastly increased transactions and augmented population of the United Kingdom. That the existing system has inflicted, and is at this time inflicting, great social evils upon society at large, and that it has endangered, and is still endangering, the maintenance of good order, by destroying the demand for labour, occasioning universal commercial stagnation and general panic. That in the event of the occurrence of war in any part of Europe, which, from the present state of the Continent, is much to be apprehended, such a demand for bullion would undoubtedly arise as would lead to the derangement of all monetary affairs in England; and should this country, in consequence of the treaties to which it has been a party, be directly involved in a war, the evils of the present monetary system would become intolerable, and all those regulations which Parliament has so strenuously endeavoured to maintain would be at once swept away; and in the midst of a dissatisfied people, with the increased difficulty of maintaining peace and order, the proper and judicious settlement of an important question would be rendered, if not impossible, far more difficult than it is at present.

Having thus given, at length, the report of the Committee and the several amendments of most importance, we may perhaps be allowed to add a few words of comment; although, in the absence of the evidence of the witnesses, we shall abstain from discussing the question which the Committee, by their report, have decided in favour of the Bank Act. The evidence given before the Committee may justify this conclusion; it may state that the Bank Act of 1844 did not aggravate the commercial distress of 1847; but as Mr. Cayley's resolution, which the Committee refused to make a part of their report, affirms that the evidence of all the witnesses is unanimous as to the disastrous effects of the Act of 1844, we cannot, until we have that evidence before us, receive without demur the report of the Committee, which affirms a direct contradiction to Mr. Cayley.

In looking over the list of members who voted for the confirmation of the report, and in opposition to Mr. Hume's amendment, it will be observed that the bare majority of two was only obtained by the vote of Sir Robert Peel himself, in addition to the ministerial corps, who of course voted on all occasions with the Chancellor of the Exchequer. Sir Robert Peel, we think, ought not to have voted at all in the matter. It was *his* measure which was on its trial; and the commercial public will surely not be led to think any the better of that measure because they find it has been saved from utter condemnation by the vote of its author! The report of the Committee, to have had any moral force, should at least have been free from its present transparent party character. Sir Charles Wood picked his own Committee;

and if he could only save his resolutions by the vote of himself, and of the member whose Act was on its trial, he is really defeated, though he may show a colourable majority of votes in his favour.

The commercial public, knowing the constitution and bias of the Committee, were fully prepared for a report exonerating the Bank Charter Act and its mischievous enactments from any share in producing the monetary distress of last year. They knew that even if it could have been proved to demonstration that the separation of the departments of the Bank of England had really been the chief cause of the October panic (which subsided immediately the separation of the departments was temporarily put an end to by the minister's letter), still there were so many ways by which "men convinced against their will" could avoid the apparent disgrace of having their opinions disproved, that the report of the Committee would be a foregone conclusion. The fact that it has only been carried by two votes, is the most extraordinary feature of the matter; and it would undoubtedly have been more judicious for the apologists of the Bank Act to have presented the evidence without offering an opinion upon it, than to declare an opinion which, if the eleven gentlemen who voted for Mr. Hume's amendment are to be believed, is altogether in opposition to the evidence.

The mere votes of Sir Robert Peel and Sir Charles Wood will not convince the commercial public, who forced the latter, in October last, to repeal the Act by the ministerial letter, and so restore confidence and destroy panic, that that Act had nothing to do with the evils it so obviously produced. Other Banking Committees, when the opinions of their members were divided on any important subject, have thought it more desirable to present the evidence without a report, and to leave the legislature and the country to decide on that evidence, rather than attempt, by a miserable majority in a picked Committee, to mislead the public as to the real merits of the matter in question. But we are not at all sorry at the course which has been pursued in the present instance, because it is quite in keeping with the conduct of Sir Charles Wood throughout. He determined that a report in favour of the Bank Act should be presented to the House of Commons; and we congratulate him that he was able to persuade Sir Robert Peel to vote on his side of the question, so as to secure the respectable majority of *two*, by which the Bank Act, Sir Charles Wood, Sir Robert Peel, and the Government, have all been saved from direct parliamentary censure!

ECT OF THE CONTINENTAL REVOLUTIONS ON OUR EXPORT TRADE.

Official Returns of the Board of Trade for the four months present year, ending the 5th of May, showing the total and exports of Great Britain during that period, and a comparison with the corresponding periods of 1847 and 1846, are more than usually interesting, from their exhibiting very clearly the effect produced on commercial affairs here by the political and social derangements abroad. Every man of business will see that serious consequences must of necessity follow the interruption of trade in France occasioned by the revolution; and this will be seen from the annexed tables that our export trade

Amount of the Exports of the Principal Articles of British and Irish produced manufactures, in the four months ended 5th May, 1848, compared with the Exports in the corresponding periods of the years 1846 and 1847.

Articles.	Declared value of the exportations.		
	1846.	1847.	1848.
	£	£	£
.. .. .	45,044	36,687	33,718
.. .. .	22,498	13,997	16,768
.. .. .	7,703	10,518	7,456
culm	303,280	263,199	347,247
manufactures	5,914,467	6,069,429	5,466,649
arn	2,138,782	1,608,258	1,513,153
ware	264,930	289,141	263,919
rrings	3,644	29,888	19,729
.. .. .	87,733	101,815	83,410
s and cutlery	718,239	719,196	642,249
wrought and unwrought	115,321	111,325	86,499
manufactures	936,333	991,203	974,655
rn	294,257	207,074	166,750
y	329,082	301,120	237,469
iz.—Iron and steel	1,279,628	1,466,789	1,642,179
and brass	434,725	632,002	366,514
.. .. .	45,316	63,296	33,259
wrought	16,783	39,256	44,556
tes	245,838	144,979	174,119
.. .. .	58,110	94,429	60,126
ufactures	292,878	316,949	186,324
.. .. .	48,135	48,036	53,226
ined	130,199	135,969	139,304
deep or lambs'	63,380	71,147	50,895
Yarn	180,059	255,374	204,151
manufactures	1,897,494	2,136,893	1,596,708
al	15,873,858	16,157,969	14,411,032

has suffered considerably. Our foreign customers have commanded their orders, or our manufacturers have declined giving them, in consequence of the want of confidence in our houses. The result is, that our exports during the four months ending the 5th of May last are £2,462,826 less of "declared value" than for the corresponding period of last year, or £1,462,826 less than for 1846. This will be seen from the official returns on the preceding page.

The decrease shown by the foregoing table has arisen during the month ending the 5th of May. This will be seen from the following table of the exports in 1847 and 1848, for the months ending the 5th of May. It will be observed that the decrease is in only four branches of trade, and to an unimportant amount compared with the decrease.

Exports during the month ending 5th May, 1848, as compared with the corresponding month of 1847:—

Articles.	1847.	1848.	Increase.
	£	£	£
Butter	8,505	3,250	—
Candles	3,909	6,148	2,239
Cheese	3,306	2,272	—
Coals and culm	88,984	101,643	12,659
Cotton manufactures ..	1,646,252	1,272,351	—
Cotton yarn	670,082	298,078	—
Earthenware	74,193	59,389	—
Fish—herrings	2,163	1,974	—
Glass	31,259	24,309	—
Hardwares and cutlery ..	201,739	136,262	—
Leather, wrought and unwrought	32,021	26,444	—
Linen manufactures ..	249,653	222,461	—
Linen yarn	52,700	29,040	—
Machinery	93,408	68,589	—
Metals.—Iron and steel ..	558,866	483,351	—
Copper and brass ..	201,829	71,247	—
Lead	21,679	13,647	—
Tin, unwrought ..	9,117	9,762	645
Tin plates	46,035	44,248	—
Salt	34,701	23,746	—
Silk manufactures ..	58,434	19,373	—
Soap	12,440	12,826	386
Sugar, refined	36,387	24,680	—
Wool, sheep or lambs' ..	8,910	1,301	—
Woollen yarn	116,331	48,969	—
Woollen manufactures ..	549,889	340,375	—
	4,812,852	3,345,735	15,929

Some of the public journals commenting on the above tables, take a very gloomy view of the aspect of commercial affairs, but we think, considering the extraordinary events which have occurred, the reduction in our exports is not a subject for alarm, and if peace is preserved, that it will soon be succeeded by an active demand for our manufactures. Indeed it must be borne in mind that the decrease in the exports does not show a decline in the *demand* for our goods, but only that our merchants have not thought proper to continue to export while the state of affairs on the Continent remained so much embarrassed.

An opinion appears to have prevailed in some quarters that suspension of business in France would give a permanent stimulus to the trade of this country. The *Economist* exposes the fallacy of this notion very clearly by referring to the effect produced on our silk trade by the revolution.

"The trade, above all others, which was generally expected to be most benefited by the disruption on the continent, was the silk trade. But that turns out to be the one which has been most injured—so far as our exports are concerned, though the home demand has been good. People are not generally sufficiently aware how large a market we had in France and other parts of the continent for our silk goods. France alone was, next to the United States of America, the largest market we possessed in the world. The following is the comparison of the exports of silk goods in the first four months of the present year, and in the single month ending 5th of May:—

SILK GOODS Exported.					
Four months, ending May 5th.					Month ending May 5th.
1847 .. 316,949	..	..	..	..	58,434
1848 .. 186,324	..	..	..	..	19,373

These facts sufficiently prove how deeply the interests of this country are involved in the peace and prosperity of neighbouring states, which it is too much the fashion to regard in the light of dangerous rivals, rather than valuable customers.

The portions of these tables which refers to the *imports* and consumption of foreign produce, on which the revenue chiefly depends, are more encouraging. But if our trade becomes so contracted by a continued diminution of our exports, we cannot expect either imports or consumption to be maintained. The following is a comparison of the consumption of some of the leading articles:—

5th of January to 5th of May 1847.				1848.
Sugar, colonial,	cwts	1,453,208	.. ..	1,687,967
" Foreign	.. ..	450,733	.. ..	256,030
Tea	.. .. lb.	15,750,907	.. ..	16,122,795
Coffee	.. ..	13,844,446	.. ..	13,173,462
Rum	.. .. gal.	849,328	.. ..	1,010,369
Brandy	.. ..	483,721	.. ..	497,308
Tobacco	.. .. lb.	9,123,416	.. ..	8,984,543

The import of the raw materials of our manufactures has been large, and the prices are now extremely low, which is a satisfactory consideration in relation to these important interests.

From the general tenor of these accounts, and the state of the home trade, there is every reason to believe, that but for the seriously disturbed state of the continent and the decline of our trade there, 1848 would have proved a year of full average prosperity; and the more facts are developed, the more must every Englishman be convinced that the true interests of this country will be consulted, by whatever means restores tranquillity and prosperity to our disturbed and distracted neighbours."

We quite agree in the remarks of our well-informed contemporary, and see no cause for alarm in the present aspect of commercial affairs, if peace is preserved—as we believe it can and will be. Peace is the obvious policy of France as well as England, and unless any unforeseen occurrence should place the power of the government in France in the hands of a very small faction, whose hatred of England is stronger than their love of republicanism, we trust there is no fear that the tranquillity of Europe will be further disturbed.

American Banking.

LIABILITIES AND ASSETS OF AMERICAN BANKS.

THE following summary of the Assets and Liabilities of fifty-two banks in the State of Pennsylvania, showing the items of which the several amounts were composed, will probably afford an insight into the manner in which banking operations are carried on in America. The accounts are made up to the end of last November, 1847, and the accounts for 1845 and 1846 are also given for comparison. The two last columns contain the particulars for the year 1847, consisting of the items relating to fourteen banks in the city of Philadelphia, and thirty-eight in other parts of the state.

COMPARATIVE VIEW OF THE BANKS OF PENNSYLVANIA.

ASSETS.	Total, Nov. 1845.	Total, Nov. 1846.	Total, 1817. 14 Phila. Bks. 38 Country.	
	Dollars.	Dollars.	Dollars.	Dollars.
Bills discounted	27,102,507	28,186,285	18,507,068	13,645,383
Specie and Tr. notes..	5,802,230	5,796,192	4,484,641	2,878,018
Bank balances	2,676,338	2,826,886	1,078,424	2,915,315
Bank notes and checks	2,126,505	2,316,312	2,138,993	921,737
Real estate.	1,469,997	1,765,266	635,065	469,310
Bonds, mortgages, &c..	1,208,972	1,302,912	437,755	895,971
Stocks	2,368,078	2,422,475	1,287,333	1,012,679
Bills of Exchange, &c.	710,238	585,842	905,897	183,738
Expenses	65,503	33,775	61,205	37,012
Post notes	3,200,054	928,897	563,051	65,904
Loans.	2,234,388	2,182,943	544,875	1,404,773
Miscellaneous	833,842	4,795,986	4,713,883	168,930
Surplus account	135,488	116,940	1,338	526
Total resources	49,934,140	53,260,711	35,359,528	24,599,702
LIABILITIES.				
Capital	16,154,600	20,994,724	13,722,380	7,863,380
Circulation	10,107,188	10,681,465	4,835,728	8,901,871
Bank balances	3,307,130	3,426,662	3,779,304	558,770
Deposits.	13,748,242	13,171,580	10,151,876	4,857,494
Contingent fund	1,887,640	2,528,533	1,396,284	497,046
Discounts, exchange, &c.	563,417	304,060	481,993	222,567
Profit and loss	304,988	674,566	319,920	159,080
State deposits	56,434	190,746	89,936	378,024
Relief circulation	416,029	548,626	123,450	516,931
U. S. deposits	665,150	100,958		
Miscellaneous	2,481,160	200,918	336,187	162,353
Suspense account	12,213	23,714	6,918	12,228
Dividends unpaid	229,950	414,158	115,552	157,468
Total liabilities	49,934,140	53,260,711	35,359,528	24,599,702

CIRCULATION OF THE BANKS OF THE UNITED STATES.

THE following table, which appears in the *American Banker's Magazine*, is stated to have been compiled from the latest official tables, and to exhibit a correct account of the number of Banks, amount of Bank Capital, Circulation, and Specie in each of the States, at December, 1847. A few of the amounts marked * are estimates from correct data.

States.	Population. 1840.	No. of Banks	Capital.	Circulation.	Specie.
			Dollars.	Dollars.	Dollars.
New York, Country .. }	2,129,000	144	19,356,000	19,270,000	2,533,000
New York, City		25	24,003,000	6,967,000	6,574,000
Pennsylvania, Country }	1,724,000	34	7,866,000	6,400,000	2,000,000
Philadelphia		14	9,222,000	4,500,000	4,200,000
Ohio	1,520,000	48	5,706,000	8,321,000	2,604,000
Virginia	1,240,000	36	10,502,000	9,308,000	2,990,000
Tennessee	830,000	20	8,056,000	*3,000,000	1,200,000
Kentucky	780,000	16	7,018,000	6,483,000	2,920,000
North Carolina	753,000	18	3,525,000	3,070,000	1,290,000
Massachusetts, Country }	738,000	83	13,249,000	10,988,000	658,000
Boston, City		26	18,863,000	7,208,000	3,286,000
Georgia	691,000	20	5,109,000	*3,200,000	1,448,000
Indiana	686,000	13	2,082,000	3,900,000	1,084,000
South Carolina	595,000	14	11,431,000	2,442,000	681,000
Alabama, (Mobile)	590,000	1	1,500,000	2,311,000	1,097,000
Maine	501,000	33	2,959,000	2,536,000	260,000
Maryland, Country .. }	470,000	12	1,877,000	*1,500,000	600,000
Baltimore		11	6,973,000	2,104,000	1,832,000
Missouri	384,000	6	1,201,000	2,404,000	2,314,000
New Jersey	373,000	25	3,750,000	2,700,000	636,000
Louisiana	353,000	6	17,663,000	3,514,000	7,252,000
Connecticut	310,000	33	8,705,000	4,437,000	462,000
Vermont	292,000	32	2,959,000	2,536,000	260,000
New Hampshire	285,000	20	1,800,000	1,512,000	144,000
Michigan	212,000	3	7,660,000	*600,000	200,000
Rhode Island	109,000	62	11,023,000	2,842,000	325,000
Delaware	78,000	8	1,390,000	*500,000	150,000
District of Columbia....	43,000	4	1,338,000	*500,000	150,000
Wisconsin	31,000	1	225,000	*180,000	120,000
Total	16,017,000	768	209,831,000	125,233,000	49,270,000

STATES AND TERRITORIES WITHOUT BANKS.

Illinois, population 476,000; Mississippi, 376,000; Iowa, 43,000; Florida, 54,000; Arkansas, 98,000: Total population of these five States in 1840, 17,063,000.

BANK CAPITAL OF AMERICAN CITIES.

THE following list comprises all cities which possess above one million of dollars bank capital. It will be seen that they are, with two or three exceptions, either commercial or manufacturing places.

	No. of Banks.	Capital. Dollars.		No. of Banks.	Capital. Dollars.
New York	25	24,003,000	Boston.....	26	18,863,000
New Orleans	6	17,663,000	Philadelphia	14	9,222,000
*Charleston	7	9,153,000	Providence	23	8,040,000
Baltimore	11	6,973,000	*Nashville	3	6,180,000
Hartford	5	3,732,000	Louisville	3	2,960,000
Pittsburgh	4	2,755,000	Augusta, Geo....	6	2,625,000
Albany	7	2,462,000	Richmond	3	2,115,000
Savannah	4	1,890,000	Salem, Mass	7	1,750,000
New Haven.....	4	1,678,000	Cincinnati	6	1,664,000
Lexington, Ky. ...	2	1,517,000	Mobile.....	1	1,500,000
Troy	5	1,475,000	Newark	3	1,408,000
New Bedford	4	1,300,000	Utica	4	1,260,000
Petersburg	3	1,170,000	Rochester	5	1,160,000
Washington, D. C.	3	1,029,000	Wilmington, N. C.	3	1,000,000

Total 28 cities.

191 banks.

Capital Ds. 136,547,000

* Less capital allotted to branch banks in the interior, and not fixed.

REMARKS.—These figures are by no means indicative of the relative wealth or business done at the several places named. There are several cities not mentioned, where there is a large export and import trade, and also large wealth.

Among these we may especially mention Buffalo, Cleveland, St. Louis, Brooklyn, N. Y., Charlestown, Mass., Norfolk, Nantucket, New London. The amount of bank capital at Mobile is very small, while its exports are equal to ten millions annually.

COMPARATIVE CIRCULATION OF GREAT BRITAIN AND THE UNITED STATES.

THE official reports of about the same period as the preceding Tables, (December, 1847,) give the following results as to the bank circulation and coin of both countries.

GREAT BRITAIN.			
	Population, 1841.	Circulation.	Specie.
England—Bank of England	..	£19,275,000	£11,000,000
Do. —Banks	16,224,000	6,275,000	*1,800,000
Scotland— do.	2,620,000	3,732,000	1,200,000
Ireland— do.	8,175,000	5,323,000	1,600,000
Great Britain.....	27,019,000	£34,605,000	£15,600,000
At 5 Dollars per £	circulation	Ds.173,025,000	Ds.58,000,000
United States		120,000,000	50,000,000

Banks of Great Britain, October, 1847.

1 Bank of England and Branches.....	14		
195 Private Banking Firms of Issue and Branches	398		
67 Joint Stock Banking Companies and Branches	413	Banks,	825
18 Banking Companies in Scotland, and Branches.....		do.	403
8 do. do. in Ireland do.		do.	155
Total number of Banks in the United Kingdom, 1383.			* Estimated.

THE CAUSE OF COMMERCIAL PANICS.

[From a paper read before the Dublin Statistical Society, by James A. Lawson, Esq.]

COMMERCIAL panics are diseases to which the body politic is subject—not chronic diseases, but epidemics as regular in their recurrence as influenza itself, though at longer intervals. The existence of these and other evils incident to the body politic, has been one of the powerful means of drawing attention to political economy, just as human ailments called medicine into existence: as long as the natural functions go on with their usual regularity, either in the individual or social state, there is not much to attract attention to the laws which govern them. Thus we ate, and drank, and breathed, without knowing anything of our heart, lungs, or other organs, until some injury or derangement took place, and directed our attention to it. And so we produced, consumed, and distributed wealth, and coined money, and bought and sold, without knowing that there were any principles or laws which regulated operations apparently so simple, until some interference, either from government or ourselves, deranged the usual course of things, and set the mind of

man upon inquiry; so apt are we to be anxious about matters of comparatively remote concern, and to be contentedly ignorant of what is nearest home.

I shall now briefly call attention to some leading facts connected with commercial panics, and make some suggestions as to their causes and proposed remedies. I observe, in the first place, that these are diseases, which exhibit themselves only in a very civilised state of society, where trade and commerce flourish—where there is commercial enterprise and spirit; they occur in England, France, Holland, and the United States of America; but I do not find any account of such in Spain or Portugal. If we look at the case of England, we shall find these periods of commercial distress regularly and periodically recurring in cycles of from five to seven years; and I will call your attention to the facts connected with some of them, because it will show that similar symptoms have always preceded and accompanied these periods of depression and panic. The earliest to which I shall advert took place in 1793. In that year we find great commercial discredit, and many failures—especially amongst country bankers. It had been preceded, as Mr. Tooke observes, and as we shall find in almost all similar cases, by a great extension of the system of credit and paper circulation, not only in the internal trade and banking of the country, but in the commercial transactions of the principal cities of the Continent of Europe, and in the United States of America. We find also a great fall in price to have taken place in 1792 and 1793 (a remarkable contrast with a rise of prices for two or three years before), in consequence of speculations, produced partly by paper circulation, and partly by an apprehended scarcity of issue and staple articles; and, superadded to all these, we have the breaking out of the war in 1793, which was the proximate cause of the pressure.

The next remarkable period of commercial distress occurred in 1809–10, and we shall see that it was preceded by similar ones. In consequence of our exclusion from intercourse with nearly all Europe, there was a perfect scarcity of most articles, which gave rise to a spirit of speculation, and a great rise of prices took place; for instance, hemp advanced within a short time from £58 to £118 per ton, flax from £68 to £142 per ton, wool from 6s. to 26s. per lb. There was also a new field opened for our exports to Brazil, which were of a most extravagant nature—China estates. We also find that this was a favourable period for new projects in slaves. So that in one year 42 public companies were set on foot, with a capital of many millions. I will not enumerate them, but amongst them I find a United Public Dairy for the sale of milk, and a new Medical Laboratory, for the sale of genuine medicines, with a capital of £50,000—and during all this period the amount of the circulation was moderate and equable. In 1809 the depression commenced. Prices became ruinously low, and failures of half the traders in the kingdom followed. In one month there were 273 bankruptcies. In 1811 trade became brisk again, and from 1814 to 1816 commercial distress again prevailed. I find the number of bankruptcies to have been:—in 1809, 1,089; in 1810, 2,314; in 1811, 2,500. We generally find the mercantile failures after the banks.

We now come to the mercantile panic of 1825. Towards the close of the year 1824 it was observed that the rate of consumption of some of the leading articles was outrunning the supply—and thus an incentive was afforded to the spirit of speculation. Cotton, silk, wool, flax, became the subjects of speculation, and the price advanced beyond all reasonable bounds. Coffee, though the stock was increased compared with former years, advanced 70 to 80 per cent., and spices in some instances 100 to 200 per cent.: in fact there was scarcely any article of merchandise which did not participate in the general rise—every one bought; prices current of brokers—speculations in foreign loans and shares took place to an extent never before known—joint-stock companies were formed for every conceivable project—three companies were

formed for working the Mexican mines, and similar companies for working the mines of Chili, Brazil, Peru, and the provinces of the Rio de la Plata, and for prosecuting the pearl fishery on the coast of Columbia. In the month of March, 1825, thirty bills were brought before the House of Commons for establishing companies. A writer of the day describes the mania in words which might be stereotyped as applicable to all similar occasions—"In all these speculations, only a small instalment, seldom exceeding 5 per cent., was paid at first, so that a very moderate rise in the prices of the shares produced a large profit in the sum actually invested. This possibility of enormous profit, by risking a small sum, was a bait too tempting to be resisted: all the gambling propensities of human nature were constantly solicited into action, and crowds of individuals of every description—the credulous and the suspicious, the crafty and the bold, the raw and the experienced, the intelligent and the ignorant, princes, nobles, politicians, placemen, patriots, lawyers, physicians, divines, philosophers, poets, intermingled with women of all ranks and degrees, spinsters, wives, and widows, hastened to venture some portion of their property in schemes, of which scarcely anything was known but the name. Commercial discredit and pressure followed in the month of December, 1825, to an extent never known after that time. Five London, and seventy country banks stopped payment. It became impossible to raise money upon any security; and the mercantile embarrassments began to display themselves shortly after. I should only weary you were I to specify the other instances of commercial panic from that time down to the memorable one of the last year, recurring as they did at intervals of from 5 to 7 years. Suffice it to say, that all will be found to possess the same features, and to have been preceded by similar events.

Now, what strikes me at looking at all these panics is this, that the circumstance which immediately gave rise to the pressure is always wholly inadequate to account for its long continuance, and for the loss sustained by it. For instance, the breaking out of the war in 1793, that alone never could have occasioned commercial embarrassment if commercial affairs had been in a sound state up to that time—it might have limited the future operations of trade, or checked its advance, but it could not entail the universal ruin which ensued. In like manner the fall of the prices of leading articles which immediately preceded the panic of 1809, never alone could have caused it, nor could the circumstance of a deficient harvest alone; that would only entail a loss at most of one million; but where the panic takes place, failures to many times more than that amount ensue—for instance, the general deficiency of food in 1846 never could have occasioned the panic which ensued. We must therefore look beyond the proximate cause or the occasion of the panic to find its true cause; and I think from the details I have given you, you will be prepared to anticipate the conclusion to which I have arrived—namely, that it is to be attributed to a sudden check *given to an extensive and long continued trading upon credit*—this check may proceed from the various causes which we have seen gave occasion to the panic, or by any other circumstances which cause a revulsion in the public mind, or cause a disinclination to continue to give credit: and it will be found that when this system of trading on credit has been extensively pursued, a very slight obstacle is sufficient to overturn the entire system.

Let us see, now, how this system of trading on credit is carried out, and how it accounts for these disastrous reverses in the commercial world. If there was no credit, the transactions of a country would be strictly limited by the amount of its capital, just as the purchases of an individual who had no credit would be by the quantity of money he had; and if we follow out this comparison between the individual and the whole mercantile community, we shall find that it throws light upon the subject.

The individual case is generally easy of solution, and yet that of the com-

munity is only an agglomeration of individual results. If an individual deals on credit, it is obvious that he cannot go on for any time incurring liabilities beyond the amount of his annual income without ruin. Suppose he merely anticipates his yearly income, and does not spend at a greater rate, the only result is, that his creditors are kept out of their money for a year; but if he goes beyond this, he must ultimately break down—this is the limit in the case of unproductive expenditure. But it is very different if the money obtained on credit is employed productively, he may borrow to any amount that he can procure; and if his speculations turn out to be successful, he will be able to repay his creditors, and have a profit, and this is *trading upon credit*. A man who has no capital is able, we will say, to get credit for £10,000 for six months or a year; with it he buys cotton: if the market is a rising one, he is sure to be able to re-sell it at a profit, and thus meet his engagement at the end of six or twelve months, and if he is able to turn the money two or three times within that period, his profits will be doubled or trebled. On the contrary, if he has miscalculated, and the market turns against him, the speculation fails, and his creditor loses, he, himself, having nothing to lose. Now, this is always carried on to a great extent, not by persons having no capital as I have supposed, but by capitalists trading beyond their capital. They find no difficulty in doing this, but, on the contrary, great facility and a constant temptation to do so—the money market is easy, a merchant with a large capital then finds it easy to get discount, no one knows whether his trading is speculative or not, and he is constantly in the way of seeing opportunities for a profitable speculation, which he is not able to resist; the probability, therefore, is that almost every merchant, under ordinary circumstances, trades somewhat beyond his capital—to what an extent, and for what time, a person with good credit may carry on trade though actually possessing no capital nor assets enough to meet his liabilities, has been shown by an exposure of the affairs of many mercantile houses of high repute—and even to banks, after their failure, we find appended this note (in Sir R. Peel's speech)—“have been insolvent for many years.” Now, if there be such a tendency to trading on credit under ordinary circumstances, what must it be when the spirit of speculation is afloat, leading men headlong? When the prices begin to rise under its influence, the early purchasers are sure to realise a profit, they sell to another who sells again, producing additional rise of price, and so the torch, passed from hand to hand, is sure to burn the last holder—this spirit of speculation soon extends itself to every sphere of commodity, and as if nature did not produce food enough for the supply of the gambling mania, new commodities are invented for trafficking in, denominated shares in confidence, and thus it draws into its vortex, not the mercantile classes merely, but all those of every class who have either money or credit.

When this system of fictitious trading has been extensively carried on, we can appreciate the results of any check to it—a general rise of price is produced, affecting the *bona fide* dealer, and concerns all interested; the shares and other articles purchased, as soon as the bubble bursts, become utterly worthless, and the capital which has been advanced upon them is lost—goods fall so rapidly in price that they are unsaleable save at a ruinous sacrifice, and credit receives such a shock that no man trusts his neighbour. Even the least speculative houses are liable to be involved in the common calamity, because they have bills with the names of parties on them who have failed. The assignment of goods, on the faith of which they have accepted bills in the usual course of business, fail to realise the freight and charges; and they cannot procure the discount of *bona fide* bills, except at a ruinous rate of interest. Thus, the ramifications of mercantile dealings are so great, and the credit of houses so much depending on each other, that if one suffers, the shock is felt by many—while those whose trading has been fictitious at once fall to the ground, just as in a house of cards, if one is removed all the rest tumble. Thus it is, that a loss, in itself insignificant, when it supervenes

upon over trading and speculation, produces failures to an enormous amount. The last panic, which followed upon the failure of the potato crop, and of food generally, and was ushered in by a railroad mania, was occasioned by a loss more extensive than any other which we have a record of; but the amount of the failures far exceeded even that loss, while the loss itself was not represented by those failures, but was sustained by the non-trading public in their diminished consumption of food and every other article.

Such, I conceive to be the true explanation of these periodically recurring calamities which visit our mercantile world; and we find here something like the law in physics, that action and reaction are equal and in opposite directions.

This subject of commercial distress is so generally connected in men's minds with the currency that I cannot conclude without saying a few words with respect to the theory, that it is caused by a defect in the currency system, and by the want of liberality in the Bank in not giving discounts. If our circulating medium were purely metallic, the commercial transactions of the country would be nearly limited by its capital; it is true that credit might be obtained by bills of exchange; but unless there were the facility of getting these bills discounted—that is, of getting notes that will circulate for them, it would check operations very much; but when there is a paper currency, the bank can discount these bills and issue their notes, for the interest gives a great assistance to credit. Now, in the period of speculation antecedent to the panic, credit is high, the value of money is low, and discount is procured on ready terms; and this gives the means of carrying on these speculations, because, as long as trade is in that state, the notes will not be returned to the Bank for gold. As soon, however, as the reaction comes, the Bank must begin to protect itself, for a drain of a million will immediately take place to meet foreign and other engagements; the Bank must, therefore, raise its rate of discount, or all its gold will be drained away, because there is a general fall in the value of all commodities except gold, everything else is unsaleable, and therefore the gold will go out. Now, this operation of raising the rate of discount on all bills, and declining to discount many, is what is called the Bank putting on the screw, and the distress is often attributed to this very harsh and unnecessary proceeding; but it is, in truth, a measure of necessity, as long as the Bank is bound to give gold for their notes, and it is rendered necessary by the previous liberality or imprudence of the Bank in discounting too largely. It is said that it is a pity that the Bank should be tied down by this inconvenient restriction of paying in gold—in other words, that any such limit should be put to their speculations. Now let us see what effect the removal of the convertibility would have upon speculation, and whether this result is desirable. There would then be no motive of prudence to check these speculations on the part of the merchant, or to limit its discounts on the part of the Bank; and a redundant issue of paper, and consequent depreciation, would be the consequence; so that the merchant who had entered into these engagements would be able to discharge them in the depreciated currency, and all the creditors in the country and all the non-productive classes would be losers to the extent of that depreciation; and therefore, what is sought by the merchant is, to make the public partners in the losses that arise from his speculation, although they derive, and can derive, no gain from them. For I assert that the public derives no benefit from speculative trading; the speculator does not call any new capital into existence, but merely borrows some of that already existing, and applies it in purchasing what he thinks will rise in price; if the price does rise, the public lose by having to pay the higher price, if the price has been raised by this speculative dealing; if the price falls, the public do not lose, only the person who has given the speculator credit. In all these cases the capital was in existence before, and we have every reason to think it would have been applied as much for the public benefit by the person who had it as by the speculator who has borrowed it. We have seen

what disasters the spirit of speculation entails, without any solid advantage; and yet these men claim the credit of being public benefactors, and ask the public to become sharers in their losses; but they have no more right to the title than those individuals who deal on credit have to be considered portions of the tradesmen or manufacturers, whose goods they condescend to take without paying for them. Credit is very good, but speculative dealing is not to be encouraged, and those who embark in the trade expect to meet the usual reverse which attend those whose expenditure exceeds their means.

[Mr. Lawson, in the above very ably written essay, appears to have overlooked the fact, that a commercial panic, brought on by the Bank "screw," ruins not only the speculator but the prudent man of business also; for the latter is invariably involved with the former. The large number of solvent houses who were forced to suspend payments last year is a melancholy proof of this fact.—Ed. B. M.]

PRICES OF BANK OF ENGLAND STOCK SINCE 1732.

IN our last number we gave a table of the highest and lowest prices of Consols, in connexion with which the following tables of the highest and lowest prices of the Bank of England Stock will be found interesting. We quote the latter on the authority of Francis' 'History of the Bank of England.'

The highest and lowest Prices of Bank Stock in each year from 1731 to 1848.

	Highest.	Lowest.		Highest.	Lowest.		Highest.	Lowest.
1732	162	109	1771	155	134	1809	288	235
1733	151	130	1772	153	144	1810	276	273
1734	140	132	1773	143	139	1811	251	229
1735	146	138	1774	146	139	1812	232	212
1736	151	148	1775	146	141	1813	242	211
1737	151	142	1776	143	134	1814	266	234
1738	145	140	1777	138	128	1815	260	219
1739	144	115	1778	120	107	1816	262	215
1740	144	138	1779	118	106	1817	294	220
1741	143	135	1780	116	109	1818	292	207
1742	143	136	1781	119	105	1819	267	210
1743	148	145	1782	124	109	1820	226	215
1744	148	116	1783	135	112	1821	240	221
1745	147	133	1784	118	110	1822	252	235
1746	136	125	1785	142	111	1823	246	204
1747	129	119	1786	158	138	1824	245	227
1748	129	117	1787	160	145	1825	299	196
1749	140	128	1788	178	158	1826	223	193
1750	136	131	1789	191	169	1827	217	200
1751	142	135	1790	188	164	1828	215	203
1752	149	141	1791	204	178	1829	218	206
1753	144	135	1792	219	171	1830	203	194
1754	135	130	1793	180	161	1831	204	189
1755	162	119	1794	169	153	1832	208	185
1756	121	114	1795	180	152	1833	213	190
1757	120	115	1796	180	142	1834	225	211
1758	123	116	1797	146	115	1835	225	206
1759	123	109	1798	138	118	1836	219	199
1760	114	101	1799	176	134	1837	212	203
1761	116	98	1800	175	154	1838	208	201
1762	119	91	1801	190	148	1839	206	177
1763	131	111	1802	207	178	1840	179	166
1764	127	112	1803	193	136	1841	173	167
1765	136	126	1804	169	146	1842	173	165
1766	139	135	1805	197	167	1843	185	172
1767	159	142	1806	223	191	1844	211	185
1768	170	158	1807	235	208	1845	216	199
1769	175	149	1808	240	224	1846	211	199
1770	163	105						

RATE OF INTEREST CHARGED BY BANK OF ENGLAND FROM 1694 TO 1848.

THE following statement, showing the variations which have taken place in the rate of interest charged on advances by the Bank of England, from its first establishment to the present time, we have compiled from official sources, and it may be relied upon.

RATE OF INTEREST.

From Aug. 8, 1694 to Aug. 30, 1694	on Foreign bills	....	£6 per cent.
Aug. 30, 1694 „ Jan. 16, 1695	do.	....	4½ „
Oct. 24, 1694 „ Jan. 16, 1695	Inland bills	....	6 „
Jan. 16, 1695 „ May 19, 1695	Foreign bills	....	6 „
Jan. 16, 1695 „ (to Customers of the bank)	do.	....	3 „
Jan. 16, 1695 „ July 26, 1716	Inland bills	....	4½ „
May 19, 1695 „ Feb. 28, 1704	Foreign bills	....	4 „
Do.	on Foreign bills, not payable at the bank	5 „	
Feb. 28, 1704 „ June 22, 1710	Foreign bills	....	5 „
June 22, 1710 „ July 26, 1716	Foreign and Inland do.	4 „	
July 26, 1716 „ April 30, 1819	on bills and notes	5 „	
April 30, 1819 „ Oct. 27, 1720	.... bills	....	5 „
Oct. 27, 1720 „ Aug. 23, 1722	.... do.	....	4 „
Aug. 23, 1722 „ Oct. 18, 1742	Inland bills	..	5 „
Do.	do.	..	4 „
Oct. 18, 1742 „ Dec. 12, 1744	do.	..	5 „
Dec. 12, 1744 „ May 1, 1746	do. (15 days to run)	4 „	
Do.	Inland do.	..	5 „
May 1, 1746 „ April 5, 1773	Foreign bills	..	5 „
May 1, 1746 „ June 20, 1822	Bills & notes (95 days to run)	4 „	
June 20, 1822 „ Dec. 13, 1825	.. do.	..	5 „
Dec. 13, 1825 „ July 5, 1827	.. do.	..	5 „
July 5, 1827 „ July 21, 1836	.. do.	..	4 „
July 21, 1836 „ Sept. 1, 1836	.. do.	..	4½ „
Sept. 1, 1836 „ July 15, 1838	.. do.	..	5 „
Feb. 13, 1838 „ May 16, 1839	.. do.	..	4 „
May 16, 1839 „ June 20, 1839	.. do.	..	5 „
June 20, 1839 „ Aug. 1, 1839	.. do.	..	5½ „
Aug. 1, 1839 „ Jan. 23, 1840	.. do.	..	6 „
Jan. 23, 1840 „ Oct. 15, 1840	on 65 day bills	5 „	
Oct. 15, 1840 „ June 3, 1841	on 95 do.	5 „	
June 3, 1841 „ April 7, 1842	.. do.	..	5 „
April 7, 1842 „ Sept. 5, 1844	.. do.	..	4 „
Sept. 5, 1844 „ Mar. 13, 1845	.. bills	..	2½ „
Do.	.. notes	..	3 „
Mar. 13, 1845 „ Oct. 16, 1845	Minimum rate	2½ „	
Oct. 16, 1845 „ Nov. 6, 1845	.. do.	..	3 „
Nov. 6, 1845 „ Aug. 17, 1846	.. do.	..	3½ „
Aug. 17, 1846 „ Jan. 14, 1847	.. do.	..	3 „
Jan. 14, 1847 „ Jan. 21, 1847	.. do.	..	3½ „
Jan. 21, 1847 „ April 8, 1847	.. do.	..	4 „
April 8, 1847 „ Aug. 5, 1847	.. do.	..	5 „
Aug. 5, 1847 „ Sept. 23, 1847	.. do.	..	5½ „
Sept. 23, 1847 „ Oct. 25, 1847	.. do.	..	6 „
Oct. 25, 1847 „ Nov. 22, 1847	.. do.	..	8 „
Nov. 22, 1847 „ Dec. 2, 1847	.. do.	..	7 „
Dec. 2, 1847 „ Dec. 23, 1847	.. do.	..	6 „
Dec. 23, 1847 „ Jan. 27, 1848	.. do.	..	5 „
Jan. 27, 1848 „ June 16, 1848	.. do.	..	4 „
June 16, 1848 „ present time	.. do.	..	3½ „

Railway Digest.

THE MIDLAND RAILWAY ACCOUNTS.

[The following analysis of the accounts of this railway we quote from the '*London Weekly Railway Share List*,' edited with great ability by Mr. Slaughter, Secretary of the railway department of the Stock Exchange, and published under the authority of the Committee. We recommend it to the notice of our readers as a valuable statistical railway publication.

We annex a copy of the weekly *traffic table* of this list; to the permanent items in which the following paper refers.]

THE "*Capital Account*" exhibits a receipt of £9,767,824, of which £8,960,526 was received up to 30th June, 1847, £804,243 during the half-year ended 31st December, and £3,055 under the head of "Interest Account." Although it is believed that the whole of the capital of the Bristol and Birmingham line is not included as part of these receipts, it is not known whether the sums called during the half-year on Bristol and Birmingham shares, or whether any part or the whole of the loans raised under the Acts of the Bristol and Birmingham, the Leeds and Bradford, the Sheffield and Rotherham, and the Leicester and Swannington, are included.

The disbursements of capital, on the other hand, amounted to £9,853,122, of which £8,656,939 was expended up to 30th June, 1847; £1,070,633 during the half-year ended 31st December, 1847, and £125,550 for calls on shares in other railways held by the Midland Company. What portion of this outlay was made upon productive or non-productive works, it is impossible to ascertain from the accounts.

The report of the directors, and the revenue account, afford some clue to the amount of capital which participated in the revenue of the half-year, and it is accordingly estimated as follows:—[See *Midland Railway* in annexed "*Traffic Table*."] 1.—£5,742,594 "*Preference*," or that part of the capital which, having a preferential claim upon the revenue of the company, received interest and dividend from the revenue of the second half of 1847: viz.—

Debentures. Capital	£2,919,644..	Interest at 2½ per cent. . . .	£6,692
Sheffield and Rotherham	150,000..	Dividend at 3 per cent. . .	4,500
Leicester and Swannington	140,000..	Dividend at 4 per cent. . .	5,600
Leeds and Bradford.	900,000..	Dividend at 2½ per cent. . .	22,500
Consolidated Preferential			
Stock	25,000..	Dividend at 3½ per cent. . .	875
Bristol and Birmingham. .	1,607,950..	Dividend at 3 per cent. . .	48,238

Total Preference Capital £5,742,594.. Div. and Int. for half-year £147,405

2.—£5,792,019 “*Shares*,” or non-guaranteed share-capital, dividend upon which was paid from the revenue of the second half-year of 1847: viz.—

Consolidated Stock, and Capital.			
£40 shares	£4,720,686..	Dividend at 3½ per cent.	£164,224
Birmingham and Derby stock.....	978,533..	Dividend at 56s. 3d. per cent.	27,521
Erewash Valley, (£32 paid)	92,800..	Dividend at 2½ per cent.	2,320
Total capital ..		£5,792,019	
Total dividend ..			£194,065
<hr/>			
Add. Bristol and Birmingham dividend ..	..	..	48,238
Surplus for next half-year ..	..	..	45,672
<hr/>			
Available balance of revenue account ..		..	£287,975
<hr/>			

Of the surplus of £45,672, it was stated by the chairman, at the half-yearly meeting, that £20,000 would be set apart as a reserve for a renewal of the permanent way.

3.—£11,534,613, total capital which “*received*” the “*revenue*” of the second half-year of 1847, is the addition of 1 and 2.

For the reasons before assigned it is impossible to proceed to a dissection of the capital account. The columns 4 to 7 must therefore remain blank.

It was objected, in this publication, in reference to the accounts of the 30th June, 1847, that there was a charge during that half-year for working stock of £183,879; that during the previous half-year there had been a charge £113,735; and that the two items together made a total of £297,614, which during twelve months had been expended upon working stock alone. It was further estimated that the additional charge for working stock for a new mileage should be at the rate of £1,250 per mile; that as 79½ miles of new line only had been brought into operation during the year, the charge for working stock, according to this estimate, should, therefore, only have been £99,375; and that thus there was an apparent excessive charge of £198,239, which was equal to a half-year’s dividend.

In reference to the general allegation that the charges made to the capital account of the Midland Company for working stock had been excessive, it was stated by the chairman, at the half-yearly meeting in February last, (it is by no means assumed that he spoke in direct allusion to the article in the *Weekly List* above referred to,) that “the expense of the carrying stock of the company did not exceed the estimate per mile of all companies of the same magnitude as theirs. He would take the carrying stock of the three companies at the period of amalgamation in 1845, and the revenue and mileage at that date and at the present period. He would first state, however, that it was notorious, at the time

of the amalgamation, that the stocks of the three companies were in a state of excessive depreciation—that neither their waggons, carriages, engines, nor anything else were equal to the traffic of that day.”

That “the engines were not only fewer in number, but unworkable, and of less power; they were now made larger, and of increased power, and the directors had taken all the expense of improving them, and making them as good as new, out of the revenue of the company, and not out of capital. At the time of the amalgamation there were 174 miles of railway opened, and the companies had expended on stock £467,462. They had now, including the Bristol and Gloucester line, 437 miles opened, and had expended on working stock £1,387,710. In that sum, however, was included £130,000 for coal waggons, a description of truck which they had not originally contemplated employing, and this might be considered an extra matter. Deducting, then, the cost of the coal waggons for working the line, the cost of the working stock was reduced to about £1,250,000. Before the amalgamation, the working stock cost £2,700 per mile; it was now £2,900 per mile; the usual average for the working stock of a line being £3,000 per mile. The receipts of the three companies, before the amalgamation, were £430,000; they were now £1,200,000 per annum. So that they had increased their stock to £1,300,000, and their earnings to £1,200,000; they had increased their stock two-thirds, and their receipts two-thirds more. Now he was satisfied their stock was in an infinitely better condition than in 1845, and he thought he had shown that the sums applied to the capital-account of the company were fairly so applied. There never was an engine worn out that was not replaced by one much better; and if they were satisfied their stock was in a much better condition than in 1845, and that the directors had appropriated only that amount of working stock to new lines which they were entitled to receive, he trusted he had said enough to disabuse the public mind, so far as the carrying stock of the company was concerned, and the payment of dividends out of capital.”

If it is necessary that an outlay of £3,000 per mile and upwards should be made for working stock, in order that a railway, with a mileage traffic equal to that of the Midland, should be efficiently worked, there can be no ground for objection to charges to the capital account to that extent; but, in this particular case it must be evident that the chairman has failed to prove that such an outlay is necessary, and has omitted to give, what alone could have proved it, a *valuation* of the entire working plant on the 31st December last. Had he shown that the stock was *worth* £1,387,710, or thereabouts, on that day, and that

E LIST," *refd.*]

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Disbursement of Gross Receipts, LAST REPORT; or proportion per Cent. of each item to the Gross Receipt.		Net Earning upon PRODUCTIVE LOAN AND SHARE CAPITAL, Last Report.							
Working Expenses.	Interest.	Preference Shares.	Rent and Tolls.	Dividend.	Balance.	TOTAL.	Cent Ann.		
32	33	34	35	36	37	38	39	40	
KEEN..... S AND BOULOGNE..... WHEAD, LANCASHIRE.....	nil. 1.98	58.86	16.51	..	..	24.63	nil. 8,414	1.81
ONIAN..... ER AND HOLYHEAD..... N AND DROGHEDA.....	2.70	49.84	22.94	..	..	27.22	11,392	3.02
N AND KINGSTOWN..... E, PERTH, AND A..... RHENISH.....	5.50 1.77 nil.								
ENGLIAN..... RN COUNTIES (incl..... LANCASHIRE.....	3.84 2.70	45.64	..	..	..	54.74	14,406	3.86
RN UNION AND D..... URGH AND GLASG..... URGH AND NORTH.....	1.99 3.76 nil.	38.48	2.79	..	..	nil. 58.73	59,116	5.03
OW, PAISLEY, AND..... OW, PAISLEY, AND..... SOUTHERN AND.....	4.61 2.96 3.49	44.41 45.39	10.11 18.51	.. 5.17	.. ..	45.40 29.43	nil. 1.50 18,559	5.54 4.41
WESTERN..... L AND WINDERM..... STER AND CARLE.....	4.29 nil. nil.	39.38 51.86 39.48	7.82 18.49 5.37	9.38	40.27 29.65 52.60	3.09 2.51 2.51	273,833 2,322 48,064	5.54 2.73 3.45
SHIRE AND YORK..... N AND NORTH W..... N AND BLACKWA.....	3.76 5.69 2.02	38.82 37.67	9.58 6.48	51.58 48.62	nil. 7.23	120,372 723,054	6.45 7.03
N, BRIGHTON, AN..... N AND SOUTH W..... NDERRY AND EN.....	3.49 5.59 nil.	47.74 50.44	11.04 4.93	7.94 0.15	32.69 43.25	0.37 1.24	131,190 122,713	4.18 5.19
WESTER, SHEFFIE..... ORT AND CARLIS..... ND.....	2.77								

every engine, carriage, and waggon was in good order, and fully employed in the service of the line, it would have been conclusive as to the necessity for an outlay of £3,000 per mile, and upwards; but when he urges only, in defence of this large expenditure, that other companies have charged as much to their capital-accounts for the same purpose, or that the stock was in better condition in 1848 than in 1845; he affords no proof that other companies have not charged the renewal and repairs of their working stock to capital instead of revenue, or that the present excellent condition of the stock of the Midland Company is not attributable to the same practice.

At the close of the last half-yearly Report, there is a statement of the numbers of engines, carriages, waggons, &c., *in existence* on the 31st December last, which, *when new*, it is very probable may have cost the sum of £1,387,710; but it cannot be supposed that they are now worth that sum. It is well known that upon working stock, maintained in the most perfect manner, there must be a depreciation going on which no repairs can arrest; that an engine, with the most careful treatment, will necessarily become of less value the longer it is in use, and that ultimately it will be past all repairs. Were there, in the absence of a proper valuation, an estimate of such depreciation, and were there an adequate reserve fund to meet it, there would be less cause for apprehension as to the propriety of the charges to capital; but there has been no such estimate, and there is no such reserve fund.

The condition of the working stock of the London and North Western Railway Company has been the subject of frequent remark in this publication, inasmuch as it is believed to be the only railway stock, the result of a valuation of which has been made public, and as it thus affords a criterion whereby to judge of the outlay for a similar purpose made by other companies. The carrying stock of that company was valued in February 1847, and, in the opinion of competent valuers, was then estimated as worth more than the cost; added to which, the chairman assured the proprietors, at the last half-yearly meeting, that the sum of £1,493,363, charged in the capital account, represented the *value* of the stock, and *not the cost*. The number of miles now worked by the London and North Western is 569 (see underneath), and the cost of working stock per mile is thus £2,624.

The number of miles now worked by the Midland Company is 423½, which, divided into £1,387,710—the total cost, as stated by the chairman—a cost per mile of £3,277 is shown, or £653 per mile more than that of the London and North Western.

The Chairman of the Midland Company, however, in the speech from which the foregoing extract is made, justifies the increased expenditure for working stock upon the ground that

the increase in traffic has been in a similar proportion; thereby recognising the doctrine that the cost of working stock should be in proportion to the extent of the traffic, or rather, the amount produced by the traffic. A comparison between the receipts from the traffic, and the cost of the working stock of the two companies in question, stands, therefore, nearly as follows:—

London & North Western			
(proper)	428 miles..	Traffic per annum (say) ..	£2,200,000
Lancaster and Carlisle	70 „ ..	Do. Do. „ ..	72,000
Chester and Holyhead	52 „ ..	Do. say at £1,000 per	
		mile.....	52,000
North Union	19 „ ..	Do. say at £1,500 per	
		mile.....	28,500
<i>Miles now worked by the</i> _____		<i>Of which the estimated</i> _____	
<i>London & North West. 569</i>		<i>produce per annum is £2,352,500</i>	

Giving a traffic per mile per annum of—£4,134.

Midland—last half-year... 397½ miles..			
Do. since opened... 26 „ ..		Traffic per annum (say) ..	£1,150,000
		Do. say at £2,893	
		per mile	75,218
<i>Miles now worked by the</i> _____		<i>Of which the estimated</i> _____	
<i>Midland Company... 423½ „</i>		<i>produce per annum is £1,215,218</i>	

Giving a traffic per mile per annum of—£2,893.

If, therefore, the London and North Western Railway earns a gross receipt of £4,134 per mile per annum, with a working stock which has cost £2,624 per mile, the Midland Company, by the same rule, should have expended only £1,836 per mile, instead of £3,277, in order to earn a receipt of £2,893 per mile.

Banking and Commercial Law.

NON-ADMISSIBILITY OF JOINT-STOCK SHAREHOLDERS AS WITNESSES IN FAVOUR OF THEIR OWN COMPANY.

AN important decision has just been made by the Court of Exchequer, upon the admissibility of a *shareholder* in an unincorporated public company acting by its officer, as a witness for such officer. The Court held that the shareholder's evidence *was inadmissible* for the plaintiff. The point has been discussed in our pages before, but we believe the present is the first decision upon it, and we therefore give a full abstract of the case.

Clarke v. Bell, Court of Exchequer, May, 1848.—In this case the declaration contained two counts; one on a bill of exchange, dated 24th January, 1847, drawn by the defendant on one John Liddiat, and endorsed by the defendant to the

plaintiff; the other, on an account stated. At the trial, before Baron Alderson, it appeared that the plaintiff was member of a loan company, called "The Union Joint-Stock Building Company," and that bills and notes given to the company, including the bill in question, were usually made out in his name. It had been accepted for the accommodation of the defendant, and was a renewal of a former one, which became due on the 24th January, when it was in the hands of the London and Westminster Bank, who returned it dishonoured to the secretary of the company, who gave notice to the defendant. Shortly afterwards, the defendant and the acceptor came to the office of the company, and saw one of the agents; when it was agreed that the bill should be renewed on certain terms, and that a person of the name of Dalton would bring a fresh bill, and receive back the old one. On the appearance of Dalton, accordingly, with the present bill, the agent objected to receive it, as it bore date after the 24th January; whereupon Dalton took it back to the acceptor, who, without authority from the defendant, altered the date to the 24th January. It was then taken back to the agent, who received it. The witnesses who proved all the material facts in the plaintiff's case being members of "The Union Joint-Stock Loan Company," it was objected that they were incompetent by the general law, and the proviso in the 6 & 7 Vict., c. 85. The Judge reserved the point, a verdict being given for the defendant on one plea, and for the plaintiff on the others. Subsequently, counsel on the part of the plaintiff moved for a new trial, and referred to Lord Denman's Act, the 6 and 7 Vict., c. 85, which enacts that "no person offered as a witness shall be excluded by reason of incapacity, from crime or interest, from giving evidence, either in person or by deposition, according to the practice of the court, on the trial of any issue joined, or of any matter or question, or on any inquiry arising in any suit, action, or proceeding, civil or criminal, in any court, or before any judge, jury, sheriff, coroner, magistrate, officer, or person having by law or by consent of parties authority to hear, receive, and examine evidence; but that every person so offered may and shall be admitted to give evidence on oath or solemn affirmation in those cases wherein affirmation is by law receivable, notwithstanding that such person may or shall have an interest in the matter in question, or in the event of the trial of any issue, matter, question, or injury, or of the suit, action, or proceeding, in which he is offered as a witness; and notwithstanding that such person offered as a witness may have been previously convicted of any crime or offence." The plaintiff's counsel said, had the section stopped here, no doubt could have been raised as to the competency of the witnesses in this case; but there follows a proviso that the act "shall not render competent any party to any suit, action, or proceeding, individually named in the record, or any lessor of the plaintiff, or tenant of premises sought to be recovered in ejectment, or the landlord or other person in whose right any defendant in replevin may make cognizance, or any person in whose immediate and individual behalf any action may be brought or defended, either wholly or in part, or the husband or wife of such persons respectively." The question therefore is, can these witnesses be considered in the light of persons "in whose immediate and individual behalf" the plaintiff is suing? But the statute in question being a remedial statute, passed to prevent objections to the competency of witnesses, a liberal construction ought to be put on its enabling clauses, and a strict one on the disabling proviso. In *Hart v. Stephens* (6 Q. B. Rep., 937), where a promissory note was given to a *femme sole*, who married and died, leaving her husband surviving her,—in an action brought by her administrator on the note, the husband was held a competent witness to prove the payment of interest.

Baron Parke said, "The words of the 6 & 7 Vict., c. 85 are, that persons 'in whose immediate and individual behalf any action may be brought or defended,' shall not be competent witnesses. If the company had brought

this action in their own name, treating this indorsement as an indorsement to the company, they must all have sued; now, in reality, Clark is only another name for the company, for this action is brought by him on behalf of himself and them; and consequently no member of that company can be a witness for him."

Baron *Alderson* concurred. He said "Is it not just the same as a man bringing an action in a partnership name, he being one of the partners? The plaintiff is the partnership name here." (See *Clarke v. Bell*, 12 Jurist, 421.)

This decision is one of much importance to joint-stock banks. It frequently happens that many of the officers employed in these establishments are shareholders; and under the present decision of the judges, they are incompetent to act as witnesses on behalf of their respective banks. The consequence is, that if the clerk of a bank, in which he is a shareholder, becomes a necessary witness in any action brought on behalf of that bank, his evidence would not be received; and the same rule applies, of course, to all the shareholders. It may be useful to bear this fact in mind, in order to avoid employing such clerks or shareholders in serving any legal notices or otherwise whereby their evidence might become important to the bank.

LAW OF BANKRUPTCY.

THE introduction of a new Bankrupt Act in the present session of Parliament, under the auspices of the Lord Chancellor, and the circumstance that many suggestions of the Metropolitan Mercantile Committee are already embodied in that bill, appear to afford a fair opening for the suggestion of any further amendments in that branch of the law.

It will be generally acknowledged that during no period of our commercial history has the necessity of some powerful amendments become so evident as during the years 1847 and 1848, for at no former period has there been such an extent of commercial embarrassment existing in every shape, all concurring to test the efficacy of the present enactments, and unfortunately proving their deficiencies; and it cannot be concealed that the dissatisfaction of the trading community has manifested itself in the most unequivocal manner in the numberless instances of assignments, compositions of every kind, deeds of inspection, insolvency, and other substitutes by which debtors and creditors have sought to settle their differences without having recourse to the Courts of Bankruptcy.

Of these different methods, the 2nd class, viz., compositions, have been most extensively resorted to, and the great bulk of them has been of the most scandalous description. It has been openly avowed by both the defaulter and his creditors, when settling the poundage, that the sum offered was not what the estate would pay, but was still such a sum as it was better should be accepted rather than incur the unimaginable expenses and dangers of a bankruptcy. If in such arrangements, the real difference of expense only had been taken into consideration, there would be no cause of complaint; but is notorious that by working on the fears of creditors, and unduly magnifying the expenses, delays, and uncertainties of a bankruptcy, compositions of the most fraudulent kind have been accomplished, and thus the court, in lieu of operating with a salutary influence, according to its intention, really operates in very numerous instances to the very injury of the mercantile community. It is represented as a gulf in which all the effects are swallowed up, and

unhappily the diminishing amount of the dividends lately prevailing in bankruptcies, appears to offer some foundation for such a conclusion. But this is in *appearance only*—the *fact* really being, that for some time past, the fiats taken out on the *bankrupt's own petition*, have greatly increased, and that in the majority of such fiats, the effects are of the most meagre kind, and the affairs bound up in a knot of intricacy, which the bankrupt not being able to unravel, brings his irksome and ungrateful task to the court. In the instance of other fiats they are not taken out until every other remedy has been tried and rejected, because nothing at all satisfactory can be offered to the creditors, and by consequence, the effects of estates are little more than barely equal to pay expenses even of the most moderate description. That but very small dividends are paid under such circumstances cannot be a matter of wonder. Under the old system it is certain that no dividend would have been paid at all, nor would even the expenses have been paid.

Whilst, therefore, it is admitted that many improvements in the act are necessary, it is yet contended that the existing system labours under a degree of odium which does not properly attach to it.

The principal object of these pages is to suggest some alterations, which, as I conceive, will greatly benefit the mercantile community, and cause the bankrupt law to be more highly appreciated. In doing so, I lay down two maxims:—

1st. That the objects sought ought to be the benefit and security of the trading community, whether *business of the court increase or not*, but endeavouring at the same time, by all possible improvement in the internal arrangements of that court, as to fees, expenses, and jurisdiction, to restore it to its proper high standard in public estimation, and having always in view this *first principle*:

That the greatest improvements in the bankrupt laws, are those which lessen the aggregate amount of insolvency throughout the kingdom.

2nd. That where a trader finds himself unable to pay his debts, he *has no right to choose* the method by which his affairs shall be wound up. He has no longer any pecuniary interest in the results, and the affairs become the peculiar business of his creditors. They ought to have the earliest opportunity of judging for themselves what is best to be done, and they ought to have laid before them an authenticated statement of the defaulter's property, debts, and accounts.

The debtor, on the other hand, ought at once to give up his property and accounts to parties legally appointed to act *provisionally* in such cases, and having done so he has a right to protection in his person, with certain exceptions, and to a cessation of all legal proceedings against him until the creditors have made their election how to proceed.

On this principle I object entirely to that part of the present act by which a debtor sues out a fiat against himself on his own petition, and which operates most perniciously in many cases; and I suggest that—

Every trader meditating bankruptcy, or an assignment, or composition, or other step of that nature, should place his books and affairs in the hands of the official assignee of the Court of Bankruptcy, who should take possession of his effects, *ad interim*, and give immediate notice to every creditor of that fact, whereupon all suits at law against the debtor for debt should be stayed until a majority of the creditors, in number and value, present at a public meeting, should have decided on the best way to wind up the affairs.

That the official assignee should lay before the creditors a statement of the affairs, and of the defaulter's conduct as a trader, and of the causes which have led to his insolvency.

If the creditors, after this full exposition, decide to make him bankrupt, the court is open to them.

If the debtor, through his friends, can offer them a composition suitable to the results exhibited, it will be competent to them to accept it, and so end the affair. If they choose to wind it up by an assignment amongst themselves, that course is equally open to them, but in adopting it they will lose the benefit of subjecting the trader to the Court of Bankruptcy on the question of his certificate, and of many important points as to proofs under his estate, &c., &c., compared with which the expenses of a fiat, properly managed, are in many cases, unimportant items.

The official assignee would thus act as a mediator between the creditor and the debtor, protecting the former from fraud and the latter from undue vexation and oppression. This searching examination would be a test which the dishonest debtor will not venture to attempt to impose on, whilst it would be a welcome refuge to the thousands of honest traders who at all times are endeavouring to effect a settlement of their affairs by a complete surrender of them, but are prevented by the difficulty of procuring a general arrangement by which they can obtain an entire release. If the expense of this investigation be objected to, I answer, that if the party be made bankrupt, it is only the same expense as would be necessarily incurred in that event under the present system, and therefore no loss: and that if the affairs be wound up in any other manner, it is an inquiry without which no really equitable settlement can be made, and which will repay itself immeasurably in its results. As to the legal machinery by which it is to be accomplished, a penalty could be imposed on any other form of arrangement if a penalty were thought necessary, but I should think it would be quite sufficient to induce conformity, that any other method would be void in law, and that no party to it would be bound by it or could be sued on it.

By the plan thus proposed, a record will be preserved of all parties defaulting in every shape, except those in the Insolvent Court—a record most valuable to the commercial world, as a source of reference on questions of individual credit and character, and the want of which is greatly felt; and statistics of the gross amount of all defalcation throughout the kingdom, and of the dividends paid thereon will be obtained, of great consequence as assisting to further improvements in legislation.

As compared with the remedy thus suggested how mischievously does the present system work and issue, either in a fraudulent composition, in which the debtor dictates terms to his creditors and boasts of his success; or in an assignment, which it takes a length of time to effect, and which perhaps after great expense still ends in a bankruptcy; and during which the debtor is harassed and the estate consumed by adverse suits; or, as the last resort, in a bankruptcy, which, as matters go, scarcely ever gives satisfaction to any party concerned.

But there are other points not yet adverted to, and without which the interests of creditors under a bankruptcy will be very inadequately protected.

Without any disposition to judge harshly of the conduct of a man in business, and especially in difficulties, I think it may be safely assumed that the instances in which a debtor recovers himself, after having fallen below 10*s.* in the pound, are perhaps not one in 500, whilst it is equally certain that below that sum at least his affairs progress most rapidly to ruin.

Let every such one, therefore, who cannot bring into the Court of Bankruptcy, debts and effects which can be fairly and reasonably estimated as equal to pay 10*s.* in the pound, be liable to be refused his certificate, unless he can show that twelve months previous his estate was equal to pay a larger dividend, and has been reduced by losses beyond his reasonable control; and furthermore let every one be liable to have his certificate refused, unless he can show a stock-taking and general balance within twelvemonths previous to the date of his fiat. I say liable to have it refused, but not necessarily so,

leaving the decision to the commissioners. But reasoning abstractedly, why should not this be an indispensable condition to his certificate? It is certain that the want of ascertaining what was really the state of a trader at some given time previous to his bankruptcy, is the great cause of the difficulty which exists in investigating his affairs, and in presenting a true balance sheet to the court, and by which perhaps much fraud is effected and concealed.

It is certain that it is not less the interest than the duty of every trader thus to test his own position at stated times, for the most obvious reasons.

It is certain that it is the interest of all creditors that this regulation should prevail, because by so doing the debtor would ascertain what perhaps he strongly suspects but shrinks from proving, viz. the extent of his own deficiency, because thereon that debtor would lay his affairs before them whilst there was still a suitable amount of effects left to divide.

It would be better for that debtor himself, in the instance of those who are debtors to him, and by whose default, for want of such timely self-examination, his own ruin and insolvency is perhaps principally brought about.

It would be a great safeguard to every man in business in estimating the value of debts in his ledger, when he himself enters on the periodical balancing of his affairs.

And, finally, it would tend much to uphold the general stability and credit of the whole trading community, and strengthen the character of the negotiable paper which emanates from them, and which forms the most important part of our monetary system.

With regard to reforms in the internal arrangements of the Court of Bankruptcy, I do not presume to offer much remark.

I make no allusion to the office of messenger, because it is understood that inquiries are making on that subject, which will no doubt result in such alterations as present circumstances require.

But there is one charge on bankrupt estates which is so evidently at variance with all right and reason that I hope it requires only to be pointed out to be rectified. I allude to that for arrears of Income Tax unpaid at date of fiat. It seems to me so absurd to charge Income Tax on an estate which has absolutely become insolvent, and perhaps greatly so, because the bankrupt not only derived no real income from his trade, but was even furthermore reduced by losses, that I cannot see how it can be defended on any ground whatever, and the hardship is aggravated in this, that the sum is really paid by the creditors (already sufficiently unfortunate) to swell the aggregate sum of national taxation. Much more equitable would it be to reimburse to the bankrupt estate all the money paid for income from trade, from the time that it could be shown the trader had ceased to derive any income from it.

Bankrupt estates have been but too much regarded by the public themselves as a sort of Cornish wreck or subject of common plunder, but the object of government ought to be to set the opposite example, and to treat those unfortunate interests in a spirit of the most scrupulous equity. I think, too, that the creditors ought to derive some benefit from interest on the funds of estates as they accrue previous to dividend, and that the official assignees would be enabled to allow a modified rate of interest on the general account current, if they themselves were permitted to invest in Exchequer Bills the aggregate funds of all their estates in lieu of only doing so in portions of sums belonging to each estate, as at present.

It has been said that this cannot be done because it would encroach on the revenues by which the court is maintained. If it be so, why should not the salaries of the commissioners be paid out of the consolidated fund, just the same as those of the other judges of the land?

Suitors in the general courts of judicature are not *specially* taxed to maintain the judges who preside over them, and why should a difference in that

respect exist between the case of suitors, *not bankrupt*, contending against each other, and that of suitors of equal degree contending against a bankrupt? or if any difference ought to exist, I should even think that it ought to be made in favour of the class whose misfortune of being creditors, not whose litigious spirit, brings them into the Bankrupt Court.

With regard to the fees of the official assignees, I venture to say that, in the great bulk of the estates which now come under their care, no accountant would undertake to collect the debts and wind up the estate for the remuneration they receive, and that in the whole number their annual emolument is not at all too much, but rather the reverse, considering the amount of security they come under, the important interests in their charge, and their relinquishment of every other source of income. In the instance of debts under the sum of £5, their per centage would fairly admit of increase, because it should be borne in mind that such debts are not all single items of account, but many of them balances of long standing accounts, involving much trouble in adjusting on fair grounds.

I venture to say, too, that on no other plan are the debts due to insolvent estates so sifted and so fully recovered as in the Court of Bankruptcy, and this consideration ought to press itself strongly on the notice of creditors, when they reflect moreover that it is accomplished almost invariably without law proceedings, although the debts are, as to the mass, such only as the bankrupt has himself vainly endeavoured to make available. The public is not, perhaps aware also, that on all estates in which the assets amount to £1,000, a reduction of the *major* part of their fees on the excess is given up by the official assignees.

The efficiency of their efforts for the preceding objects would be greatly aided if the court had jurisdiction to grant judgment, after a fair hearing, on all debts below £100, and this increased authority would possess the advantage of recovering such debts by a shorter and less expensive process than the present general remedy. And, indeed, supposing the debtor summoned to have the option of a jury, I cannot see why all debts due to bankrupt estates should not come within the above jurisdiction. T.

Legal Miscellany.

NOTE.—Under this head we shall insert brief reports of legal decisions affecting Bankers and Merchants, as they occur from time to time. We shall feel obliged by having our attention called to any case which may come under the notice of our readers.

IN THE BANKRUPTCY OF LACKERSTEEN & Co.

Court of Bankruptcy, Basinghall Street, June 1.—Before Mr. Commissioner Fane. The bankrupts, Alexander Augustus Lackersteen and John Crake, trading under the name of Lackersteen, Crake, and Co., and having their place of business in Moorgate Street, were extensive East India merchants. This was the meeting for the last examination.

Mr. Lawrence appeared for the bankrupts, Mr. Dixon for the assignees, and Mr. Murray for Messrs. Glyn, the bankers, who were creditors.

The following is a copy of the joint balance-sheet, prepared by Mr. Wryghte. It commences on the 1st July, 1847, and ends April the 10th, 1848, when the fiat was issued :—

To creditors, £28,865 6s. 10d.;	to liabilities, £103,826 12s. 10d.;	
creditors holding securities, £400	.. ..	Total £133,091 19 8

By Debtors—Good, £19 4s. 9d.; doubtful, £18 18s. 6d.; bad, £9,626 19s. 10d. By bills of exchange given up to the official assignee, viz:—Good, 13,099 18s. 9d.; bad, £3,500; by property in the hands of consignees abroad, £538 10s. 10d.; by property in the hands of creditors holding security, £400; by property claimed and in dispute, £1,475; by liabilities per contra, 103,826 12s. 10d.; by losses, £586 14s. 2d. .. Total £133,091 19 8

The balance-sheet of the separate estate of A. A. Lackersteen is as follows. It commences on the 1st of January, 1843, and ends on the 10th of April, 1848 :

To creditors, 78,720 15s. 10d.; to liabilities, £66,550 14s. 5d.; to creditors holding security, £40,259 9s. 2d.; to capital, 9,034 2s. 6d. [In addition to the amount of capital inserted, A. A. Lackersteen possessed letters of credit from Messrs. John Lackersteen and Brothers, of Calcutta, on bankers and mercantile firms in England in the extent of from £30,000 to £40,000.] To profits, 14,486s. 3s. 2d. Total £209,051 5 1

By Debtors—Good, £4,112 1s. 4d.; doubtful, £15,336 17s. 4d.; bad, £7,567 13s. 5d.; by cash balance handed to the official assignee, £72 5s. 8d.; by property given up to the assignees, £2,882 18s. 3d.; by property in the hands of consignees abroad, £10,479 7s. 4d.; by property in the hands of creditors holding security, £59,909 17s. 1d.; by liabilities, £66,550 14s. 5d.; by losses on merchandise, £29,770 19s. 9d.; by charges of trade, £3,422 13s. 7d.; expenses, domestic and personal, £8,945 16s. 11d. .. £209,051 5 1

Amongst the creditors are Barclay, Bevan, & Co., Lombard-street : Bruce, Buxton, & Co.; the Bank of England for £6,248; the India Assurance Company, Calcutta, £13,582; the London Joint Stock Bank, £14,084; the Phoenix Marine Assurance Company, Calcutta, £4,700; and Messrs. Currie and Co., Cornhill, £11,721. Most of the above are secured wholly or in part.

Mr. *Lawrance* said he attended on behalf of the bankrupts, who appeared to pass their last examination. He believed there was no opposition. The official assignee was perfectly satisfied with the mode in which the balance-sheet was made out. The books had been exceedingly well kept.

Mr. *Dickson* said the assignees had carefully gone over the balance-sheet, which was vouched by the books. He had no opposition to offer.

The bankrupts then passed.

Mr. *Lawrance* asked the Court to fix a day for the certificate meeting.

The *Commissioner* asked if there was any probability of opposition upon that occasion?

Mr. *Lawrance* said he did not apprehend any. The bankrupts had been in the hands of their creditors since autumn last, and he believed he might say the creditors were perfectly satisfied with the conduct of his clients.

The 30th June was fixed for the certificate meeting.

Several proofs of debts were effected, and some of them caused discussion, but no point of interest was raised, except that in one case a creditor was allowed to enter upon his claim, although the bill upon which it was founded had been sent out to India. The *Commissioner* observed, that no dividend could be paid without the production of the bill, or a special order from the Court.

THE ABINGDON BANK.—HENRY KNAPP'S BANKRUPTCY.

Court of Bankruptcy, London, 16th June, 1848.—The bankrupt was the well-known banker of Abingdon, and the meeting was for an adjourned last examination. Since the last meeting an amended balance-sheet has been filed,

extending from the 4th of April, 1842, to the 18th October, 1847; which gives the following statement of the bankrupt's affairs:—

Dr.		Cr.	
To creditors	£100,219	By good debts	£11,897
To ditto, holding security ..	21,985	Bad and doubtful do. ..	7,283
Bank-notes	23,725	Property given up to the official assignee ..	8,309
Profits	3,787	Ditto in hands of creditors ..	23,594
		Losses	27,415
		Business expenses ..	10,817
		Personal ditto	5,917
		Deficiency	61,764
	<u>£149,717</u>		<u>£149,717</u>

The last item represents the amount in which the bankrupt was indebted at the period when the balance sheet commences. Mr. Hawkins, for the assignees, having complained of the unsatisfactory nature of the accounts—the Commissioner said it was impossible the bankrupt could now pass. The item of £61,764 deficiency required much explanation.—Mr. Lawrance, for the bankrupt, said this was arrived at by setting off the assets of the bank against its liabilities; the bankrupt had admitted, on a former examination, that he had been insolvent since 1818. The Commissioner said there was another item of £3,000, a legacy, which also required explanation. If the examination was again adjourned, it must be at the bankrupt's own expense. The bankrupt was shortly examined by Mr. Hawkins. Mr. Lawrance said if the bankrupt was required to explain the deficiency of £61,700, he was utterly unable to do so. There was no doubt the bank had been insolvent for a number of years; the bankrupt found it so when he took it, but he could not state how that insolvency had arisen. The Commissioner said it rested with the creditors whether they insisted on further explanation. Mr. Lawrance said the bankrupt admitted that much of the deficiency had arisen from stock exchange transactions, either time bargains, or by holding stock over; a large sum of the item for losses also arose in that way. It was true these transactions were perfectly unjustifiable, but that was a question for the certificate meeting. If the assignees did not require detailed explanations of the £61,700 deficiency, the bankrupt would consent to an adjournment at his own expense, furnishing such additional information on the other items in the account as the official assignee might think necessary. If this was not agreed to, he must submit to an adjournment *sine die*, and throw himself on his honour's protection. After a consultation between the advocates on each side and the official assignee, it was agreed that the deficiency of £61,764 in 1842 should be assumed as correct, but that the bankrupt should be required to account for every subsequent item of loss and expenditure as far as he was able to do so. The examination was then adjourned to the 21st of September, at one o'clock. Debts to the amount of about £1,250 were proved at this meeting, chiefly in small sums.

Savings' Banks.

FAILURE OF THE ST. PETER'S PARISH SAVINGS' BANK, DUBLIN.

WE noticed the stoppage of this savings' bank last month, and referred to the address which had been issued by the managers; but as we did not then quote the document, we now do so, thinking it important as an illustration of the manner in which some of these institutions have been conducted, and of the necessity for legislative interference, in order to provide for a satisfactory audit of their accounts. It is not often that we meet with a document so peculiar as the following; and it certainly throws a degree of blame on the managers, the commissioners, or the official who was sent specially to report upon the state of the state of the bank in 1831, that ought to be satisfactorily explained. The managers say:—

“The trustees and managers of this bank, with deep regret, feel themselves compelled, for the present, to close the institution; and, in doing so, deem it to be their duty to lay before the public a statement of the circumstances which oblige them to take this step.

“In the year 1831, the then trustees discovered that a large deficiency in the funds of this bank had been caused by the defalcations of a Mr. Dunne, the then officer of the bank, who about that time absconded from this country.

“Upon making that discovery, the first impulse of the trustees was to close the establishment, dividing the assets among the depositors equally; but, upon consideration, it was deemed prudent, before adopting so important a step, to confer with and take the advice of the Commissioners for the Reduction of the National Debt, who are the depositaries of the funds of all savings' banks; and accordingly they deputed one of their body to proceed to London for that purpose.

“The trustee so deputed laid before the Commissioners for the Reduction of the National Debt a full statement of the position in which the bank was placed, and the result was, that the barrister appointed by act of parliament came over to Dublin to investigate the claims upon the funds of the bank, and to advise with the trustees.

“That law-officer accordingly investigated, and adjudicated upon the claims of the depositors, and having done so, expressed his opinion that it was advisable (considering the amount of capital of the savings' bank, about £100,000) to keep it open, with the view of making good the deficiency out of the annual surplus, when such should arise.

“The then trustees accordingly acted upon this advice, public confidence was by degrees restored, and the institution was flourishing, with every prospect of eventually realising surplus sufficient to make good the deficiency created in 1831, when, unhappily, a panic was created in 1845, and a run having, in consequence, commenced, the trustees again anxiously considered the propriety of closing the bank, and divided the assets amongst the depositors; but, upon giving the matter the most mature consideration, they were of opinion that, legally, they had not the power to do so; and the bank, accordingly, being kept open, the sum of about £223,000 was drawn out by depositors.

“The payment of so large an amount restored public confidence, and there was every prospect of the institution becoming again equally flourishing, when the distress and political excitement of the present year having again produced

a run, and a large sum having been withdrawn by the depositors, and the drafts of the trustees for this day's demand having been refused payment by the Commissioners for the Reduction of the National Debt, the trustees have no alternative but to close the bank for the present, with a hope, however, that the Commissioners for the Reduction of the National Debt, who, since 1831, have been fully aware of the existence of the deficiency then created, with the interest due thereon, will, under the peculiar circumstances of this case, take the claims of the depositors into their anxious consideration."

COMPARATIVE ANALYSIS OF THE ANNUAL PARLIAMENTARY RETURNS OF SAVINGS' BANKS AND FRIENDLY SOCIETIES.
—SESSIONS 1847 AND 1848.

(Continued from page 294.)

STATEMENTS of the account between the National Debt Commissioners, on the part of the public, and the trustees of the Savings' Banks and Friendly Societies, on the part of the depositors and members, for the years ended respectively the 20th November, 1846 and 1847.

Gross amounts of interest paid and credited to the trustees by the Commissioners, and received by the latter on the Stocks and Exchequer Bills held by them on account of the former, from 6th Aug., 1817, to 20th Nov., 1846, and 20th Nov., 1847, and between the two latter periods.

INTEREST PAID AND CREDITED BY THE COMMISSIONERS.

SAVINGS' BANKS.	Gt. Britain.			Ireland.			Gt. Brit. & Ireland.		
	£	s.	d.	£	s.	d.	£	s.	d.
To 20th Nov., 1847.....	17,150,097	5	3	1,538,651	9	0	18,688,748	14	3
" 1846.....	16,235,873	0	2	1,450,512	17	7	17,686,385	17	9
From 20th Nov., 1846, to 20th Nov., 1847.	914,224	5	1	88,138	11	5	1,002,362	16	6
FRIENDLY SOCIETIES.									
To 20th Nov., 1847.....	744,897	15	0	20,299	13	5	765,197	8	5
" 1846.....	670,189	18	11	17,467	13	4	687,657	12	3
From 20th Nov., 1846, to 20th Nov., 1847.	74,707	16	1	2,832	0	1	77,539	16	2

INTEREST RECEIVED BY THE COMMISSIONERS.

SAVINGS' BANKS.	Gt. Britain.			Ireland.			Gt. Brit. & Ireland.		
	£	s.	d.	£	s.	d.	£	s.	d.
To 20th Nov., 1847.....	15,548,719	0	1	904,969	2	4	16,453,688	2	5
" 1846.....	14,597,547	10	7	871,442	9	8	15,468,990	0	3
	951,171	9	6	33,526	12	8	984,698	2	2
Interest due up to 20th Nov., 1847, on the £28,000 Exchequer Bills held by the Commissioners	..	..	..	..	..	..	518	5	0
From 20th Nov., 1846, to 20th Nov. 1847.	..	..	..	..	..	..	985,211	7	2
FRIENDLY SOCIETIES.									
1847 ..	..	..	..	..	..	..	608,318	3	8
1846 ..	..	..	..	..	..	..	549,667	3	8
20th Nov., 1846, to 20th Nov., 1847.	..	..	..	..	..	..	58,651	0	0

GREAT BRITAIN AND IRELAND.

	Savings' Banks.			Friendly Societies.			Savings' Banks and Friendly Societies.		
	£	s.	d.	£	s.	d.	£	s.	d.
Interest paid and credited by the Commissioners ..	1,002,362	16	6	77,539	16	2	1,079,902	12	8
Interest received by and due to the Commissioners ..	985,211	7	2	58,651	0	0	1,043,862	7	2
Difference or loss incurred by the public in the year ended 20th Nov., 1847. ..	17,151	9	4	18,888	16	2	36,040	5	6

SAVING' BANKS.		Gt. Britain.			Ireland.			Gt. Brit. & Ireland.		
		£	s.	d.	£	s.	d.	£	s.	d.
Interest paid and credited to	..	17,160,097	5	3	1,538,651	9	0	18,688,748	14	3
20th Nov., 1847.	..									
Interest received to 20th Nov.	..	15,548,719	0	1	904,969	2	4	16,453,688	2	5
1847. ..	..								
		1,601,378	5	2	633,682	6	8	2,235,060	11	10

Interest due up to 20th Nov., 1847, on the £28,000 Exchequer Bills held by the Commissioners	..	..	..	..	513	5	0
Difference or loss incurred by the public	..	..	..	..	2,234,547	6	10

FRIENDLY SOCIETIES.			
	<i>£</i>	<i>s.</i>	<i>d.</i>
Interest paid and credited to 20th Nov., 1847 (Great Britain)	744,897	16	0
" " (Ireland)	20,299	13	5
	765,197	8	5
Interest received to 20th Nov., 1847 (Gt. Britain and Ireland)	608,318	3	8
Difference or loss incurred by the public	166,879	4	9

Savings' Banks (Great Britain and Ireland)	..	2,234,547	6	10
Friendly Societies	..	156,879	4	9
Aggregate amount of the difference or loss incurred by the public	..	2,391,426	11	7

Thus showing, that in addition to incurring liabilities amounting, on 20th November, 1847, to the sum of £30,236,632 9s., in the case of the Savings' Banks, and to the sum of £1,961,553 19s. 3d., in the case of the Friendly Societies, as shown at page 292, *the nation has paid towards the support of the Savings' Banks, from 6th August, 1817, to 20th November, 1847, the sum of £2,234,547 6s. 10d., averaging annually the sum of £74,484 18s.,*—and towards the support of the latter, from 20th November, 1831, to 20th November, 1847, the sum of £156,879 4s. 9d., averaging annually the sum of £9,804 19s.—the aggregate sum of £2,391,426 11s. 7d., being the total difference between the amount of interest paid and credited by the National Debt Commissioners to the trustees of the Savings' Banks and Friendly Societies, and that received by the former on the investments made by them on account of the latter.

Communications

To the Editor of the Bankers' Magazine.

MR. BLACKER'S DEFENCE OF HIS SYSTEM OF CURRENCY.

SIR,—In your last number, I ventured to reply to the principle criticisms you relied on in your objections to the currency doctrines, advocated in my pamphlet, “The evils inseparable from a mixed currency.”

I now beg to allude to minor objections which I had not then space to notice; and in the first place I beg to deny your assertion (No. 3, in your May number) that I used the words *appreciation* and *depreciation* not as *relative* but as *absolute* terms. I confess I do not know how these terms can be used in any other manner than as relative terms, and I have never used them that I am aware of except as such. In the pamphlet alluded to, I have defined depreciation to be a decrease in the value of a currency from the standard at which it was issued, and “appreciation” must of course be the converse; and in using them it has always been in reference to *the standard at which the inconvertible paper had been issued*. I am inclined to believe, you consider the actual weight of gold in the sovereign to be the test, and that *its exchangeable value* is the true standard of our mixed currency. But Mr. Horsley Palmer admits that *this exchangeable value* varies to the extent of 20 to 30 per cent. Such a standard is evidently no standard at all, being deficient in every quality which constitutes a standard. I say, the sovereign *as a coin* is the medium of exchange, *as such* has no other value but its *exchangeable value* in commodities, or, in other words, its purchasing power; and as its purchasing power varies from an adverse exchange, I assert the true standard of the currency to be the purchasing power of the sovereign when the exchanges are at par, at which time the *standard* value of the bullion in the coin has been fixed. *This* is therefore the true value at which it has been issued; and according as this purchasing power has been increased or diminished from that standard, I assert it to be either *appreciated* or *depreciated*, which I trust you will admit to be a correct use of the terms.

I next proceed to your objection (No. 4) in which you say, “I attribute national prosperity or adversity to be almost entirely matter of currency management;” and in reply to this I have to ask, when has there been an interruption to our national prosperity that has not been either caused or aggravated by the denial of discount resulting from the nature of our present currency laws? Of course war and intestine divisions are not included.

Your observations (5 and 6) give correctly the principle I contend for, viz., that by *limiting* the amount of an inconvertible currency it may be maintained at the same value or purchasing power as the true standard of the present mixed currency; and that it cannot be over-issued if the issue is limited to the discount of commercial bills at a fixed term and rate of discount.

I have now therefore to reply to your particular criticisms on these two heads. You either grossly mistake or grossly misrepresent me when you hold me up to your readers as asserting, that if “the state enacts that the national inconvertible note for a pound is legal tender for a pound, it is therefore of the value of a pound.” I assert no such thing: according to this doctrine, if the inconvertible paper was over-issued to the same extent as French assignats were, the pound would still retain its full value. You have yourself said, under Section 5, that I propose to preserve the value of the inconvertible paper on the principle of “limitation;” it is therefore entirely *your own idea not mine*, that an act of parliament can maintain the value of inconvertible paper without limitation, and your arguments thereon fall to the ground. And it seems the

more extraordinary that you should fall into this error, as you yourself admit, page 300, that "the power of the principle of limitation to regulate the value of an inconvertible currency is universally admitted;" and this admits everything I have asserted.

"I must further assert that you misrepresent me, or at least *do not clearly explain* my reference to the inconvertible paper bringing the exchanges to par, to be a proof of its being equal in value to the true standard of the present currency.

If the exchanges are brought to par under an inconvertible currency, then £100 of this paper will purchase the same foreign bill of exchange that one hundred sovereigns would do under a metallic or mixed currency, and according to the mathematical axiom, that any two things which are equal to a third must be equal to each other. I thereby prove to demonstration that the inconvertible paper is of the precise same value as specie.

Now the charge against the gold basis is, that from being an article of commerce it is liable to be changeable in its own value, which indeed is notorious; and my proposed improvement is, to substitute for gold a currency which is *not* an article of commerce, and which, having been brought to the standard value of gold by means of limitation, could by the same means be maintained at that *value*; viz., at the same purchasing power over commodities, and it is in *reference to any increase or diminution of this purchasing power*, that I maintain gold to be appreciated or depreciated in comparison with the inconvertible currency, which, in this respect, remains without alteration. And notwithstanding the ridicule which you attempt to throw upon it, it must be evident to every one who thinks seriously on the subject, that the change in the present currency to one of an inconvertible paper, must have the effect attributed to it, viz., of removing the cause of a denial of discount, and by allowing the price of gold to advance with the advances in the exchange, to promote the export of manufactures during an import of corn, and of course give to the same extent employment to the operatives, as I think I have most clearly shown in my letter to the '*Morning Chronicle*,' which I requested you to publish in your June number.

The ridicule you attempt to throw upon those assertions affects me little, it is allowed to be no test of truth, and I therefore pass on to the *arguments* you rely on—and here again I find your arguments founded on misrepresentation. I never have proposed "discounts *ad libitum*," nor have I advocated "no denial of discount of trade bills," as you assert. I have stated plainly that the commissioners of issue would only discount approved bills, endorsed by the commercial banks, therefore persons wanting discount must go to the commercial banks to obtain it, and those banks will have just the same interest in guarding against fictitious paper as they have now; therefore the establishment of my plan of an inconvertible currency will afford no kind of facility for the discount of accommodation paper whatever.

You then proceed to deny my assertion that paper so issued cannot be over-issued; but you give no good reason for your opinion. The argument drawn from a garbled extract, where I say that, "he can be supplied with money according as he has occasion," would never give any reasonable man cause to suppose I meant that he was to get it merely for the asking.

I mean, of course, by the discount of an approved bill, which is nothing more than any man can get at present; I don't propose any undue facilities; I merely guard against the danger of fair and reasonable mercantile accommodation being denied. This is a full answer to your observations as to merchants taking all the credit they can get. The credit they get is a matter between them and their bankers, and has nothing whatever to say to the Commissioners of issue. The same answer may be given to your supposed case of the number of poor men who would be brought into competition with the rich. The charge against me is merely supposititious, and has no founda-

tion in fact whatever. I may say the same as to your further assumptions, "The banks are thus to have the strongest inducements of profit to be 'liberal,' and their customers to 'go-ahead.'" Let me ask what inducements have they to be "liberal," or what profit is promised to them which they have not now? They can get their bills *at present*, and *at all times*, when money is plenty, re-discounted upon a more favourable term and rate of discount than would most likely be the case under the system I propose; for, as I have already stated, my only aim is to prevent the fluctuations in the money market which now lead people into speculations, and then leave them in the lurch when a drain of gold takes place, and this reply will be found to answer all the assumptions which you introduce. As to the charge you make of my belonging to what is generally understood by the *Birmingham doctrines*. If I am right in supposing that *they* aim at a very extended issue and consequent depreciation, it must be wilful misconception on your part, for I have throughout declared my dissent from any depreciation of the currency, to do which would only be to perpetrate fresh injustice.

I may bring the same charge of wilful misconception as to the supposed case, page 303, of a long continued unfavourable exchange; and what is the bugbear you raise up as to the danger to be apprehended by the Commissioners, if they should venture to alter the term of discount by degrees, say to shorten it one day each week until the desired effect was produced?

What difficulty or danger is to be apprehended in this, either to the commissioners or the public? It is no denial of discount in the sense you adopt. Your concluding remarks I have already replied to in my letter published in your last number, for June; and now, having gone through all your charges and objections, real and imaginary, I would ask any reflecting reader if he can see anything unreasonable or extravagant in what I have proposed, or that is not fully supported by common sense and sound argument, and evidently calculated to accomplish the object in view—that is, to prevent for the future "the frightful" ruin, and bankruptcy, and want of employment which we now periodically suffer? An inconvertible currency has been tried and found (as proved in the fourth page of the Bullion Report of 1810) to have kept the price of gold down to £3 17s. 6d. per oz. for three years after it was introduced—causes well known and understood at present afterwards led to the over-issue and depreciation of this currency; but these causes are not beyond control, and therefore may be rectified. Would it not, therefore, be wiser to correct those abuses, than blindly to persist in a gold basis, because our ancestors, under circumstances of trade wholly dissimilar to ours, had thought proper to adopt the precious metals as a currency, which no doubt was the very best they could have adopted under the then state of things, but which is entirely unsuited to the state of things now. In bygone times credit was as *nothing*, which now is *everything*; and the maintenance of the gold basis having been proved repeatedly to be *incompatible* with the permanent maintenance of *credit*, common sense ought to lead us to abandon what is found to remove the very key-stone of the arch upon which all our commercial greatness is built.

I think it desirable that this discussion should be carried on in a publication such as yours, because your readers generally will preserve the different numbers, and will therefore have it in their power to compare your charges with the answers given to them, and satisfy themselves whether they have been satisfactorily replied to or not. It does not appear to me that I have omitted to answer any one criticism you have made, but this must be left to the public to determine.

I must, however, again call upon you, in fairness, and in order to bring the matter clearly before the public, that you should publish the letter alluded to in my last, as it shows the *practical results* of the principles I advocate; and

it is to the practical results that public attention ought particularly to be directed. Relying, therefore, on your compliance with this request.

I remain, sir, your obedient servant,

Armagh, June 10th, 1848.

W. BLACKER.

[The letter referred to in the last paragraph above, addressed to the Editor of the '*Morning Chronicle*,' and printed for private circulation, would occupy nearly eight of our pages; and we cannot, therefore, make room for it in addition to the above letter.—Ed. B. M.]

ON THE PROPOSED LIMITED LIABILITY OF JOINT-STOCK BANK SHAREHOLDERS.

SIR,—In the first article in your current Number, you introduce sixteen "Heads for framing a Public Act, which would permit the establishment of Joint-Stock Banks, with *restricted liability*," &c. As they are termed "suggestions," I presume they are open to discussion, or at least to comment; I have therefore taken the liberty of shortly stating some objections which have occurred to me against one of their main features, stated in the conclusion to Head No. 1, which runs thus, "and no liability should attach to the subscriber beyond £200," on each share.

I have always understood the fundamental principle of Joint-Stock Banking to be this very liability of the shareholders. This distinguishing feature has been put prominently forward in all the prospectuses of new banks, has been made the subject of legislation, and is in fact identified in the mind of the public with the Joint-Stock Banking system. The proposed alteration therefore would interfere with all that distinguishes and gives a superiority to Joint-Stock over Private Banks; viz., complete security. It is in vain to tell the public that they will be as secure under the limited as under the total liability of the shareholders. They will not stop to examine into the probability or improbability of a bank, in the event of failure, requiring more or less than the fifth of their reserved capital, and the £100 per share not called up, to pay all demands: nothing less than the certain security of complete liability will satisfy them. In my humble opinion this alteration would be a heavy blow to the system, and would be felt, more or less, by every Joint-Stock bank in the kingdom. Supposing that one-third or one-half the shareholders should prove, in the event of failure, unable to pay the second £100, there would be no remedy against the other moiety who might be solvent; who then would be the losers? The public will naturally suspect that such a case may arise, or the expense and trouble of a law to meet it would never be incurred. They might say to the shareholders, "You are receiving dividends on your capital of 6, 10, and with bonuses, even 12 per cent. per annum; and you ought, in justice, to be liable to a greater risk than we depositors who receive only from 2 to 3 per cent." "We must be perfectly protected," would say the holders of £3,000,000 in notes, "or we shall look shy on your paper; and if we receive it in discounts, it will find its way back in a few hours."

Joint-stock banks stand in many respects in so different a position from other corporate bodies, that the less they are interfered with, in the way of alteration, the better. Public opinion has of late run very much in their favour, as is evinced by the decadence in number of private banks, compared with them. The '*Bankers' Magazine*' gives only 185 private banks existing in England, against 208 in the '*Banking Almanac*' of 1845, a decrease of 23. In Joint-Stock banks, in the same period, the decrease has been only 5, and that from causes entirely independent of the system. It were unwise then to shake this confidence in endeavouring to gain any real or supposed benefit, unless of paramount importance. Holding the responsible position they do in the com-

mercial community, and receiving cash to large amounts in deposits; depending also on public confidence for the currency of their notes (a confidence which a breath would destroy), there cannot be too many guarantees for their stability. The late *exposés* in the cases of the savings' banks, mentioned in your current number, will most likely lead to a great extent of business with small depositors, who have had their faith shaken in those institutions, which most persons imagined were "safe as the Bank." Contrary to the intention on their first establishment, which only pointed to the encouragement of the working classes, by giving them a safe investment for their hard-earned savings, a superior class of small capitalists have availed themselves of the favourable rate of interest, and large sums—as £300, £800, and even £1,000—have been consigned to their custody. These will doubtless find their way into the coffers of the Joint-Stock Banks in future, that is to say if the present belief in their security is not shaken by so unwise an enactment as the one under notice.

It would take too much of your valuable space to canvass the "Heads" *seriatim*. I believe those relating to directors, to auditors, and to the open method of keeping the ledgers, by allowing the shareholders access to them, would have the effect required, without interfering with the very foundation of banking security. A power, a controlling power, at least, over directors is very much wanting, by Joint-Stock Bank shareholders in common with every description of Joint-Stock company. Respectability and wealth are no guarantees for business capacity. Nor is this qualification always demanded. A well-known mercantile or even political name is often sufficient to secure the votes of the proprietors, even in the absence of those indispensable qualifications which ought alone to be the guides in selecting an individual for so onerous an office. Once elected, there can be no mending the choice till the usual vacancy by rotation; and King Stork does as he pleases, without let or hindrance. Give the proprietors the power of removal, or at any rate of control over their directors, and the feeling of instant accountability will have its usual salutary effect. We shall then be spared the repetition of such acts as have been perpetrated by the directors of the Union Bank of Calcutta, acts which have brought ruin and misery to hundreds. Such a sweeping and effective enactment as that contained in Head 16, would make directors and auditors very careful not to exceed or fall short of their duties; the forfeiture "of the whole of their interest in the bank" would be a penalty not to be lightly incurred.

The 7th and 8th Heads, making the qualification for director or auditor the possession of shares to the amount of £5,000, requires re-consideration. It would make riches the qualification instead of business qualities, and prevent the selection of many men of judgment, discrimination, and character, to fill those offices, who might not wish to invest so large a sum in any one description of security.

Yours, &c.

June 14th, 1848.

W. J. G.

SUGGESTIONS FOR PROTECTING BANK SHAREHOLDERS ON THE FAILURE OF A BANK.

SIR,—I have read the article in your June Number, "Proposed limited liability of Joint-Stock Bank shareholders."

I think any limiting of the liability of the shareholders would be a limiting of the confidence of the public in the system.

I also think that the shareholders would obtain all, and more than the "Act" sketched out in the article referred to would obtain for them, by the simple process of rendering it imperative that every balance sheet, or abstract of balance sheet, laid before them, should have an affidavit declaration appended to it, something like the following:—

"We hereby declare that the above statement is to the best of our knowledge and belief a true and faithful one, in every particular; that every ascertained loss has been written off, and that a liberal allowance has been made for every doubtful, unsettled debt."

(Signed) A. B. Chairman of the Board of Directors.
C. D. General Manager.
E. F. Chief Accountant.

Sworn before G. H. Magistrate.

If something like the above formed part of the act passed 22 years ago for establishing Joint-Stock banks, all those that have closed would, *with one or two swindling exceptions*, have done so earlier than they did, and the loss to shareholders would probably have not exceeded the 25 per cent. on the paid up-capital, as specified in most deeds of settlement.

I believe that in the case of every failure it has been found that all or nearly all the paid up capital had been lost, and, in one or two cases, the shareholders have had to submit to a fresh call; in many of these cases the directors were gentlemen of unquestionable respectability, the only reason therefore that can be assigned for their not having called the shareholders together when the amount of capital specified in the deed of settlement had been lost, was that feeling of false pride inherent in most men, a shrinking from confessing their own incapacity.

Although it may be said that as directors are necessarily large shareholders, their loss has been consequently large, yet they belonged to that class who can afford to lose, whereas in the case of the majority of shareholders the loss has been more severely felt, in some cases ruinously so.

With regard to the affidavit.—Such directors and managers as are the registered officers of their respective companies, are in the habit of making oath when they prove claims on bankrupt estates; there would therefore be no novelty in the thing itself; and as in the case of bankruptcies the law requires an oath to guard against fraud, I think it ought, in the case of Joint-Stock banks, to require one to guard against folly. I use the milder term folly, although I fear that when directors conceal their mismanagement, the effect as regards the shareholders is something which looks worse than folly.

I am, Sir, &c.

A MANAGER.

MR. J. C. STEWART AND THE UNION BANK OF CALCUTTA.

Calcutta, 19th April, 1848.

Gentlemen,—I take the liberty of calling your attention to the accompanying Newspaper [the "*Englishman Overland Summary*" of 19th April, 1848] containing reflections on a certain part of my conduct while Secretary of the Union Bank, which I think it due to Proprietors at a distance, and to myself, to repel. I have not hitherto troubled you on any of the innumerable aspersions with which I have been assailed here for three months past; but in this particular case, as one affecting my private conduct towards Shareholders individually, I feel it necessary to address you; though I do so with much reluctance, and will be as brief as possible.

You will perceive that the substance of the charge against me is, that at the very time that I was indicating publicly my dissatisfaction with the Bank Management by resigning my appointment, I was representing to private individuals that the whole conduct and policy of the Management were "unimpeachable," and deceiving them by the strongest assurances of the permanent "stability of the Institution."

I have no hesitation in declaring this to be a most unwarrantable perversion of the meaning of the private letter which is quoted against me. In that

letter I sought to allay Dr. Smith's fears upon *one* important point on which he had expressed himself very anxiously to me, viz., the Directors' plunging again into Indigo Advances—a charge which I was able with most perfect truth to contradict. And because I relieved his fears on this *one* great point, and was able to defend the Directors' course in regard to it—my critic alleges that I asserted the whole system of Management to be immaculate—and the stability of the Bank to be for ever inviolable!

There is no colour for this extraordinary interpretation of a mere fragment of our correspondence—except in the allusions in my note to my health as a cause for my resignation—and to the personal courtesy with which the Directors treated me while in office. As to what I said about my health—it is most true; my duties had proved too much for it. But even in saying this much, I gave my correspondent to see that it was *mental anxiety* in those duties that broke down my bodily health; it was pressure on “mind” as well as on body—it was the rack of “thought and feeling.” And WHY should my anxieties as Secretary of this Union Bank be so much more intense than those of other Bank Secretaries in general? The answer was obvious to any reflecting mind. Then, as to personal civility shown me by the Directors—it is not conceivable by what process my simple testimony to their kindness and confidence in me, communicated to an individual who at that moment was soliciting their service, is distorted into a sweeping assertion on my part that their whole course of Management, conduct, and principles of business, were in my eyes perfection!

There seems to be much misapprehension in various quarters, and much diversity of opinion too, as to what my course of duty really was, in regard to resigning my situation. If even after events have thrown light on the past, intelligent minds cannot agree together in judgment on this matter—how much greater must have been my difficulty in judging of it at the time! But though there was very great difficulty in judging as to *the time when* to resign—I felt no difficulty at all as to *the manner* in which I should do so. It would have been a most dishonourable and unjustifiable thing on my part, to have given, even when solicited by individual Shareholders—far less to have volunteered—the revelations which I could have done as to the Bank's mismanagement. All that I was under the slightest obligation to do—all that I was at liberty to do—when I saw no hope of the reforms I had long wished for—was, by resigning my appointment, to acquit myself of implication—and to give what might suffice as an intelligible hint to the whole Proprietary Body—*without* exciting panic fears, *without* betraying official confidence, *without* damaging general credit, *without* favouring private parties.

When persons addressed me inquiries on this subject, it was of course in prosecution of their own *individual* interests. But it was not these that as secretary I had to protect, but the interests of the shareholders as a body, and of the institution at large. In fact the most peremptory prohibition was laid by the bank's deed, on its officers communicating to any party out of doors information of the nature now referred to, involving exposure of accounts. And so entirely had I studied all along to identify myself with the bank as a body—and not with any individual or private interest in it—that I never held a share in the institution myself, nor ever advised any one else to become a shareholder.

When the bank's management was *justly* found fault with, I never stood forward to deny or palliate the charge—never. But when the management was *unjustly* censured (as, for instance, in the charge of plunging anew into Indigo Loans—or the charge of falsifying the accounts)—I was ready to correct the unfounded accusation, and protect the bank's credit. And because I pursued this impartial and independent course, I am now assailed on both hands, with accusations which indeed contradict and neutralise each other: I

am stigmatised on the one hand as "heaping unmeasured calumny on the directors," and on the other, at the very same time, denounced as asserting "their management in all respects as immaculate and unimpeachable!" But I will beg the shareholders at home not to overlook the important fact, viz., that whatever may have been the faults of the system, or the dangerous tendency of the bank's policy up to the time when I left it—it was not till after that event that post bills to a vast extent were issued "without any consideration," and pledged by the bank itself as collateral securities; it was not till 1847 that two firms, now known to have been hopelessly insolvent, came to engross sixty-two lakhs of the bank's capital between them, and that a debt of about eighteen lakhs of rupees was incurred to Messrs. Glyn and Co., of London, and that the commercial bank of Bombay was defrauded of four lakhs of rupees. Let it be remembered, that these astonishing things *have been the doings of the year 1847, after I had resigned my post.* To suppose that in October, 1846, I could have foreseen such astounding mismanagement—and should have forewarned the proprietors of it—is neither more or less than to suppose me possessed of the gift of prophecy. And in direct opposition to the opinion expressed by the *Englishman*, that the bank was irretrievably ruined before the end of 1846, I do maintain as a fact, which the ascertained loss of fifty-eight lakhs in the year 1847 itself sufficiently demonstrates—that had the bank discontinued all outlays from the day I resigned in October, 1846—and set about realising its claims and securities—a surplus of capital would have been the result, instead of a fearful deficiency; a surplus sufficient to have enabled the institution in time to resume business.

I am, gentlemen,

Your most obedient servant,

J. C. STEWART.

PRIVATE BANKS.—QUERY AS TO A CHANGE OF PARTNERS AFFECTING THE RIGHT TO ISSUE.

A country bank last year consisted of two partners, one of whom died about eight months ago; the survivor took five other partners into the bank, who are now, and have been all along, issuing the notes of the old firm, signed by the deceased partner.—Is this legal?

June, 1848.

T. P.

[We do not think the change in the constitution of the partnership renders the issue of notes illegal. The words of the Bank Charter Act on this point are "that it shall be lawful for any banker, who was on the 5th May, 1844, carrying on the business of a banker in England and Wales, and was then lawfully issuing in England and Wales his own bank notes, under the authority of a license to that effect, to continue to issue such notes to the extent and under the conditions hereinafter mentioned, but not further or otherwise. And the right of any company or partnership to continue to issue such notes, shall not be in any manner prejudiced or affected by any change which may hereafter take place in the composition of such company or partnership, either by the transfer of any share or shares therein, or by the admission of any new partner or member thereto, or by the retirement of any present partner or member therefrom."—ED. B.M.]

FRAUDS IN BOOK-KEEPING.

SIR,—I have perused with attention the letter of "Bank Accountant," which appears in your last number of the Magazine; and I now trouble you with this further communication on the subject of "frauds in books," a subject

which, I trust, is of sufficient importance to warrant me in soliciting space for its insertion in your columns.

My single object in this correspondence has been to elicit information, supported by illustration, on the different methods of perpetrating fraudulent entries in books.

Not being, like your correspondent B. A., a bank officer, and besides, not wishing to limit the consideration of such entries to any particular class of books whatever, I am disposed, in discussing this question as a topic of general interest, to proceed on the broad principle of double entry.

In my former letter, I disputed the practicability of successful, *i. e.*, profitable, fraud, by mere entries in the books, where proper supervision was brought to bear, and proper checks were applied.

To reduce the question here implied within the limits of a single case, I will instance the position of a party placed in a favourable position for the commission of such fraudulent entries.

I assume, then, that the same individual who acts as cashier, also acts as book-keeper;—that, in short, he posts into the ledger the entries made by his own hand in the cash-book.

There can be little difficulty in checking this individual's payments.

These, of course, he must verify by means of vouchers.

But the want of an equally *positive* check over his receipts will more or less be felt. This is the great difficulty to contend with in all professional audits of books.

Now the *Journal test*, alluded to in my last, will be found a powerful auxiliary to the ordinary means adopted.

True, notwithstanding the application of this test, the party instanced might for a time receive money, and still not enter it in the books at all. No system of books, however admirably devised, can ever afford a *direct* guarantee against the non-entry of sums received. The books might suggest that such sums should have been paid, and so lead to inquiry, but no further.

The omission to enter a sum is not, however, a fraudulent *entry*; so that this point may be considered disposed of.

Under the system of books that I should recommend, I go the length of saying that every sum entered as received must go to its proper destination in the Ledger, or would inevitably be brought to light if it did not; and further, what is at least of equal importance, that every sum carried to the credit of accounts in that Ledger must necessarily and unavoidably have passed through the cash-book. The latter I consider an important application of the journal test. I lay emphasis on this feature of its usefulness, because the practical effect of a cash entry to the credit of the Ledger account, without first appearing at the debit of the cash-book is perfectly obvious. The *profit* yielded by this description of fraudulent entry is palpable; and the successful operation of such a system, on an extensive scale, has not long since come under my own observation.

On the other hand, I consider the *double entry* fraud explained by B. A.—and I say it with deference—quite inoperative.

I did request B. A. to furnish an example in illustration of this so-called fraud, and he has done so, that is, he has instanced two cases, but neither of them practically illustrates the point, as I shall shortly show.

The first case instanced is that of a banker's clerk, of whom B. A. observes, "*He might carry over £100 to his own account, which ought to have gone to another account.*" He very properly adds, however, "*This I at once admit is a very improbable case.*"

It is a most improbable case, for: First—How could the clerk enter the £100 in the ledger without that sum having first appeared in the cash book? Second—How could such an entry escape observation in the cash book; and

where would the voucher come from? Third—What clerk would be so very silly as to give the evidence of his own hand-writing in the books to such a superficial attempt at fraud?

With regard to the second case instanced, namely, that of collusion betwixt a bank clerk and a customer, this I view, and I think I am strictly correct in viewing it, as an operation altogether extraneous from the books themselves, and not therefore falling to be considered in a question of fraudulent entries in books, to which my observations are limited.

In whatever form an entry is hatched collusively, so to speak, *before it reaches the books*, that is not an element in the consideration of frauds in books. The fraud here is committed before a pen is put to paper.

But in whatever form such an entry is made in its first destination in the books, in that form must the entry reach its ultimate landing place. No mere manipulation in these books could answer the purpose of fraud, provided, of course, certain checks which I should be ready to propose were adopted.

To my mind the most salient points for fraud are those I have already touched on, namely, the omission to account for money received, and the carrying of money *direct* to the credit of a ledger account.

Time, I am sorry to admit, can only, and only *may* bring the former to light: *system* will inevitably detect the latter.

"Bank Accountant," most probably, has based his arguments solely on some peculiarity in the construction of bankers' books, and not on the general principle; and to this peculiarity he has attempted, wrongly I think, to give a general significance.

With this distinction probably we may be at one: at all events we are at one as to an earnest conviction of the necessity of correct principles of book-keeping.

I am, Sir, &c.,

Edinburgh, 14th June, 1848.

JOHN FRASER, Accountant.

AS TO CHEQUES DRAWN BY LUNATICS.

SIR.—As cases like the following must be of no uncommon occurrence amongst bankers, I feel persuaded that your opinion on the subject would be estimated as a general favour, and would much oblige the subscriber:—

An individual having retired from business, is seized with an apoplectic fit; from which, however, he partially recovers, but with his memory and other intellectual faculties so much impaired, as to render him legally incapable of managing his own property. His wife and several daughters are living with him. The remainder of his children, several sons and daughters, are married, and living apart. All are of age except his grandchildren. He has an account open at the bank, but the manager, being aware of his condition, refuses to incur the responsibility of paying his cheques. During his health he has made his will, and appointed executors, but, of course, they have no power until after his decease. I am aware that an application to Chancery might procure the appointment of a guardian, but would be attended with delay and expense. What other course could be adopted under the circumstances by which the banker might safely pay and receive money on the invalid's account? or, what is the usual course adopted, under such circumstances, by bankers?

I am, Sir, &c.,

Bolton, 20th May, 1848.

A. F.

[We do not think, as a general rule, that a banker is bound to enquire into the state of his customer's mind, and we think if the banker should ascertain that his customer is imbecile, yet, if the latter be living with his family, and the banker have no reason to suspect any fraud, the cheque may

properly be paid. If fraud be suspected, notice should be given to the family, that they may take such steps as they may be advised. We are not aware of any legal decision in point, but the contracts of lunatics for necessaries, and where there is no imposition, are valid. The banker is the lunatic's debtor, and if an action were brought against the banker in the lunatic's name to recover the debt, we do not think the lunacy would be any defence. It has been decided that the wife of a lunatic who has no *committee* (i. e., guardian appointed by the Court of Chancery), has sufficient implied authority to sue in his name. *Rock v. Slade*, 7 Dowling, 22. Perhaps, therefore, the consent of the wife to the payment of the cheques, in this case, might be fairly required. *Ed. B. M.*]

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—*Ed. B. M.*]

NATIONAL PROVINCIAL BANK OF IRELAND.

At the Fifteenth Annual Meeting, held at the office of the company, London, May 11th, 1848, the following Report was submitted to the proprietors;—

"In meeting the proprietors at the close of a year of much anxiety to all connected with banking and mercantile pursuits, the directors consider it matter for congratulation that they are enabled to present the statement which they have now to submit, as the fifteenth annual report upon the company's affairs.

"It is unnecessary for the directors to enter into any detailed notice of the past year, the circumstances of which must be fresh in the recollection of the proprietors. Throughout it was marked by occasional monetary pressure of an intense character, followed by great commercial distress in the metropolis and some large towns; but it was only on a recurrence of the crisis of April towards the close of the year, that the tranquillity of the agricultural districts may be said to have been disturbed. The main cause of the difficulties in the money-market in April had not escaped observation in the provinces, although then exempt from pressure; and the temporary relief which was felt in the middle of the year, rather lulled than dispelled the fears which the first effects of the restrictive action of the Banking Act of 1844 had produced. Accordingly, as the year advanced, and symptoms of returning derangement disclosed themselves in the declining reserves of the Bank of England, great apprehension was diffused throughout the country, which gradually increased, from week to week, as the approach of danger became nearer and more certain. In October, the second crisis of the year occurred; great distrust prevailed in many of the agricultural districts, especially in Wales; and several country banks were forced to yield, temporarily at least, to the pressure.

"In order to be fully prepared to meet any demand that might be made on the branches of the National Provincial Bank of England, the directors deemed it advisable to realise a portion of its reserve investments in government securities, a step which, though prudent at the time, and now producing the happiest influence upon the business and prospects of the establishment,—the natural effect of the great resources which, in the emergency, it displayed,—was necessarily attended with some sacrifice. The stock sold, however, has

"In advertising to the commercial character of the year, the directors have to observe, with respect to the extensive failures in the corn trade which occurred in its commencement, that by timely precaution the company is likely to enjoy complete immunity from loss. With regard to the disasters which occurred in other branches of trade, it was not to be expected that the bank could altogether escape; but on the other hand, the high rates of interest which prevailed during the greater part of the year have considerably augmented the company's revenue, and the directors are happy to state, that after making ample provision for all the contingencies of this extraordinary season, they are still enabled to maintain the usual dividend of 6 per cent., and at the same time to add to the reserve fund.

1848. Jan. 1.	Amount of undivided profits ..	£79,073 19 10
Dec. 31.	Net profits of 1847, after making allowance for bad and doubtful debts, and for a proportion of preliminary expenses	32,506 3 4

Leaving undivided profits at 31st Dec. 1847	£86,930	7	2
And making an addition to the Reserve Fund of	7,856	7	4

BANK OF BRITISH NORTH AMERICA.

"In the report presented to the proprietors at the last general meeting, the directors referred to the probable reaction on the North American colonies, of a fall in the prices of agricultural produce, contingent upon an abundant harvest in Europe; and they also remarked on the necessity for caution in the business operations of the bank, owing to the severe pressure on the British money market.

" Their most anxious endeavours were devoted throughout the year to guard the bank from the disasters which they could not but apprehend from the above causes; and, although in passing through the unparalleled commercial calamities of the last autumn, losses to a greater extent than was expected have been incurred by the bank, the measures of precaution which the directors have caused to be taken have materially diminished an evil which it was beyond their power to prevent.

"The extreme scarcity of money which was experienced for a considerable period by the commercial classes in this country was of necessity soon felt throughout the North American colonies, in the withdrawal or curtailment of mercantile credits and banking accommodation.

"In submitting to the proprietors the usual statement of the results of the last year's business, the directors would remark, that the diminution in the net profits, as compared with those of the year 1846, has been occasioned by the increased amount which they have thought proper to set aside to meet

the estimated losses by bad and doubtful debts; and although the rate of profit during the last quarter was materially diminished by the measures of precaution adopted by the directors, yet the gross profits of the bank for the entire year 1847 have exceeded those of any former year.

"The net profits for the year 1847, after making the required provision for bad and doubtful debts, not being found equal to a year's dividend, at the rate of 6 per cent. per annum, the directors, adhering to the principle laid down in their last report, feel that they best consult the real interests of the proprietors by announcing their intention of paying a half-year's dividend, on the 5th of July next, at the rate of 5 per cent. per annum."

The amount of undivided net profit, to 31st December,		
1846, was.	£61,457	8 6
The net profit for the year 1847, after deduction of		
all current charges and providing for bad and		
doubtful debts, was	54,045	3 0
	<hr/>	
	£115,502	11 6

From which is to be taken the amount of dividends paid—

At Midsummer, 1847 . .	£30,000	0 0
At Christmas, 1847 . .	30,000	0 0
	<hr/>	
	60,000	0 0

Leaving amount of undivided net profits to 31st		
December, 1847	£55,502	11 6

In answer to a shareholder, who wished that the accounts should be made up in another form, Mr. Oliver Farrer (a director) summed up the state of the company in a few words, by stating, that, in addition to their million of capital, they had over £55,000 of Rest. Had they a great multiplication of figures consequent on the detailed accounts they requested, it could not give them any fuller information, and would show that they had less to make up their dividend than on the last occasion; and that rather than encroach on their Rest or their capital, they had preferred to pay 1 per cent. less dividend. They had now 5 per cent. instead of 6 per cent.; and, if they considered the monetary crisis which they had gone through, he thought they would agree with him, that there was no great reason for complaint.

The probable amount of the bad and doubtful debts having been asked for, the Chairman said they might be taken at £25,000, up to the present moment; but it was to be recollected that they were provided for out of the year's profits; £54,000 were the year's profits, and £50,000 would be for the dividend, which he thought was going close enough. Capt. Kelly, R.N., thought that statement very satisfactory, considering the circumstances they had met with in the money market. He would ask to what extent the Rest had been touched? The Chairman replied, to the extent of £6,000, thus having, on the 31st December, a reserve of £55,000.

IIIBERNIAN BANKING COMPANY.

At the usual Half-Yearly Meeting of the Proprietors, held at the bank's offices in Dublin on the 5th June ulto., the directors presented the following report for the half-year ending the 1st May last.

"Gentlemen.—You have been convened this day in conformity with the law regulating the company. The accounts of the bank have been made up to the 1st of May last, and exhibit such amount of surplus profit on the half-year's business as warrants your board to recommend for your adoption the

usual dividend of five per cent. per annum on the advanced capital. The depression in every branch of trade and commerce, as annexed in our last report, continuing in a great measure unabated, added to the monetary fluctuations which prevailed, have rendered necessary a somewhat greater stringency of operation, and an increased watchfulness. But your board look with confidence at the prospects of a bountiful harvest, which would have the effect of relieving the country from the pressure of the late calamitous season."

After this report had been read, it was resolved that a dividend be declared at the rate of five per cent. per annum on the paid up capital of the company; and the following notice of motion was given for the next general meeting of the proprietors, viz.—"That it is the opinion of this meeting that the proprietors of the Hibernian Joint-Stock Banking Company ought to receive ordinary interest on the profits of the company, as well as on their shares of the paid up capital, regard being had to the reserved fund contemplated by the original deed of settlement."

BANK OF IRELAND.

The half-yearly meeting of the proprietors of bank stock was held on Wednesday the 14th June, ultimo, at the bank, Dublin, John M'Donnell, Esq., governor, in the chair. Mr. Graves, the secretary, read the report of the court of directors. "It is the opinion of this court that a dividend of four per cent. be made to the proprietors of bank stock for the half year ending the 24th instant; and that public notice be given that the payment will be made at the bank on and after Saturday, the 1st July next, and that the books for transfer be shut from the 14th inst. to the 1st July." John M'Donnell, Esq. governor, the chairman, then said he was instructed by the court, in submitting the report just read, to inform the meeting that in making the dividend of four per cent, there would remain a sum of £5,000 to be added to the rest. The meeting then adjourned.

BANK OF BOMBAY.

The directors of the Bank of Bombay have published the usual statement of the affairs of the bank for the year ending 31st ultimo, and declared a dividend of forty rupees per share, being at the rate of 8 per cent. per annum, payable to the proprietors on and after the 13th instant.

As compared with the corresponding statement of last year, the present exhibits a considerable increase in the business of the bank; and although the liabilities appear to be nearly the same, being Rs.11,849,609 in 1846 against Rs.11,859,247 in 1847, there is an increase of upwards of 13 lakhs in the aggregate amount of loans, cash credits, and bills discounted, the sums being Rs.3,175,248 in 1846, against Rs.4,486,264 in 1847.

The following statement, compiled from the previous accounts of the annual net profits of the bank from the commencement in 1840, cannot fail to be interesting to the proprietary, and the public who take an interest in the prosperity of the bank. It appears that the aggregate amount of profit realised is Rs.2,665,987, or upwards of 50 per cent. upon the paid-up capital; and the first year the bank commenced business, the whole of the preliminary expenses of forming the establishment were paid out of the profits of that year, and since that period the aggregate amount of dividends paid to the shareholders is upwards of 25 lakhs.

1840	Commenced business—net profit	..	Rs.	84,548
1841	Paid 5 per cent dividend	do.	..	253,778
1842	" 7 ditto	do.	..	360,595
1843	" 7 ditto	do.	..	361,512
1844	" 7 ditto	do.	..	392,711

1845	„	7 ditto	..	..	do.	..	„	385,516
1846	„	7 ditto	..	..	do.	..	„	416,117
1847	„	8 ditto	..	..	do.	..	„	411,210

Rupees .. 26,65,987

STATEMENT OF THE AFFAIRS OF THE BANK OF BOMBAY ON THE
31st DECEMBER, 1847.

<i>Liabilities</i> —To Proprietors' Capital	Rs. 52,25,000	0	0
„ Bank Notes and Post Bills in circulation ..	„ 41,99,583	6	8
„ Deposits and all other Liabilities	„ 21,69,232	9	5
„ Reserved Surplus Fund, including net profits for the half year	„ 2,65,431	11	7
	Rs. 118,59,247	11	8
<i>Assets</i> —By Government Securities	Rs. 45,95,831	0	0
„ Loans and Cash Credit Accounts on deposit of Securities	„ 32,50,242	3	4
„ Bills discounted	„ 12,36,022	1	2
„ Other Securities	„ 1,86,215	1	7
„ Cash on hand	„ 25,90,937	5	7
	Rs. 118,59,247	11	8

Profit and Loss Account.—Liabilities.

To six months' dividend on the capital stock, at the rate of 8 per cent. per annum, paid 15th July, 1847 ..	Rs. 2,09,000	0	0
To depreciation in the value of government securities sold	50,000	0	0
To six months' dividend, at the rate of 8 per cent. per annum, payable after 13th instant	2,09,000	00	
To balance of reserved surplus fund	56,431	11	7
	Rs. 5,24,431	11	7

<i>Assets</i> —By balance of reserved surplus fund on the 1st January, 1847	Rs. 1,13,221	10	10
By net profits of year ending 31st December, 1847, after paying all the current expenses of the bank ..	4,11,210	0	9
	Rs. 5,24,431	11	7

THE WEST INDIA BANK, BARBADOES.

A report appears in the *Saint Christopher's Gazette* of Feb. 4, which shows a surplus of assets over liabilities of 129,599 dollars, a liberal allowance having been made for bad debts. It was hoped that the committee charged with the investigation of the accounts of the bank, would be found warranted in encouraging the belief that the directors might be enabled to collect the assets in such a manner as to make to the creditors the following payments, namely, Aug. 1, 1848, 25 per cent.; Nov. 1, 1848, 10 per cent.; July 1, 1849, 25 per cent.; July 1, 1850, 25 per cent.; and the balance of 15 per cent., Dec. 1, 1850. An improved system of management and reduced expenditure were recommended by the committee as highly desirable. This report seems to confirm past anticipations as to the resources of the concern.

FINANCIAL CONDITION OF THE BANK OF FRANCE.

	At 15th June.		At 22nd June.	
ASSETS.	f.	c.	f.	c.
Coin and Ingots	80,174,923	73	82,230,686	34
Cash in the branch banks	65,998,694	0	69,532,368	0
Bills over due	8,854,305	38	3,503,576	41
Bills and acceptances in Paris	117,202,098	23	114,431,757	17
Bills in the branch banks	148,636,083	42	147,477,061	44
Advances on bullion	10,192,900	0	10,357,700	0
Advances on French public funds	28,492,682	90	33,010,682	90
Do. do. by branch banks ..	3,273,189	0	3,341,115	0
Advances to the state on Treasury bonds	50,000,000	0	50,000,000	0
Stock forming reserve	10,000,000	0	10,000,000	0
Stock, disposable funds	11,660,197	89	11,660,197	89
Investment of branch banks in the funds	12,744,498	0	12,744,498	0
Bank buildings and furniture	4,000,000	0	4,000,000	0
Real property of branch banks	2,515,100	0	2,515,105	0
Interest in Algiers Bank	1,000,000	0	1,000,000	0
Interest in National Discount Bank	200,000	0	200,000	0
Interest of branch banks in the National				
Discount Banks of the provincial towns	230,000	0	230,000	0
Protested bills	29,705,638	96	29,616,659	89
Protested bills in branch banks	11,562,226	90	11,874,464	0
Expenses of management	675,837	51	664,089	51
Expenses of management of branch banks	776,296	0	849,217	0
Sundries	983,788	3	1,025,292	29
Total Assets	598,928,464	95	600,264,470	84
LIABILITIES.				
Capital	67,900,000	0	67,900,000	0
Capital in the Branch banks	23,350,000	0	23,350,000	0
Reserve	10,000,000	0	10,000,000	0
Reserve of Branch banks	2,980,650	14	2,980,650	14
Reserve in real property	4,000,000	0	4,000,000	0
Bank notes in circulation	280,954,100	0	287,110,600	0
Do. Branch banks	78,581,100	0	77,677,275	0
Bills to order	457,324	16	430,476	51
Account current of Treasury, creditor ..	17,028,061	61	17,097,736	4
Divers accounts current	73,881,283	21	69,941,628	66
Accounts current in the branches	21,345,671	0	20,724,853	0
Receipts payable at sight	1,636,000	0	1,914,000	0
Do. do. in the branches ..	310,000	0	329,950	0
Drafts of branch banks payable by bank	3,805,723	26	3,685,368	79
Drafts of banks payable by branch bank	1,998,465	25	1,814,796	0
Dividends payable	147,592	25	147,499	25
Bank of Algiers	1,106,888	19	1,106,888	19
Discount, divers interests, and expenses	3,863,501	93	4,182,035	67
Discounts and interests in branch banks	3,416,448	28	3,536,919	28
Re-discount last half-year	728,692	37	728,692	37
Ditto in branch banks	703,475	0	703,475	0
Sundries	733,488	30	901,636	94
Total Liabilities	598,928,464	95	600,264,470	84

The preceding are the official returns of the Bank of France for the weeks ending the 15th June, and the 22nd June, respectively. These

returns will show, by comparison, the relative condition of the establishment. It will be observed that the *Specie* had considerably increased, and the Bank was in a more favourable position than at the date of our last publication. The falling off in the "bills and acceptances" discounted, however, shows that the trade of the country is in a deplorable condition; and the dreadful occurrences which have just taken place in Paris, will no doubt for a time tend still further to retard any improvement in mercantile affairs.

The amount of bills under discount in Paris at the head office of the Bank, at 15th March last, was 252,000,000 of francs. By the above returns for the 15th of June, the amount was 117,000,000 of francs only, *showing a decrease of 135,000,000 of discounted bills in Paris alone, in the course of three months only.* A more striking example of the terrible paralysis which has fallen upon the trade and currency of the country can hardly be given.

The *protested bills* at the head office and the branches of the Bank of France now amount to *forty-one millions* of francs. In March the sum was only *half a million* francs; but the extension of the term of grace for payment of the unpaid bills had not then expired.

Notes of the Month.

REPORTED INTENTION OF THE GOVERNMENT TO AMEND THE SAVINGS' BANK SYSTEM.—The facts and circumstances which we have from time to time adverted to of late, showing the defective state of the present Savings' Bank system, the great liability to loss, and the actual expense incurred last year in the sale of government securities at considerably depreciated prices, have at length attracted the serious attention of the competent authorities, and it is now stated on credible testimony that a bill to amend the Savings' Bank Acts will be submitted to parliament during the present session. The principal alterations intended to be proposed are reported to be, the reduction of the amount allowed to be deposited in one payment, and in one year, from £30 to £15; the abolition of trust accounts; a re-arrangement of the rates of interest payable by the national debt office to the trustees, and by the trustees to the depositors; the restriction in the total amount of deposits at which interest is to cease, to £100 instead of £200; and the enforcing of some stringent regulation as regards trustees and managers, so as to afford ample security to the depositors for the return of their money. We shall give further particulars next month.

NEW SAFE FOR BANKERS' PARCELS ON RAILWAYS.—At a recent meeting of the Institution of Civil Engineers, Mr. Chubb, the well-known manufacturer of patent locks, &c., exhibited an iron box for the transmission of money, bullion, &c., on railways. A wrought-iron box, lined throughout with hard steel plates, is locked down at the terminus to a strong iron plate in the guard's carriage. The key of this lock, and also the key by which access can alone be obtained to the interior, are kept at the principal terminus by the officer who has charge of the cash. Each station-master is provided with a key which opens a small lid at the top. When he has money to send, he

unlocks the lid, places his bag of money or parcel in an open drum underneath, moves a handle which turns the drum, and the cash is dropped inside. Before he is able to take out his key he must move his drum back, and see that the money is gone. It will be observed that he cannot leave the lid unlocked. When the box arrives at the terminus it is unlocked from the frame, taken into the office, and placed on a similar frame there. The cashier only can with his key then get access to the money.

THE UNION BANK, CALCUTTA.—A new statement had been issued by the Union Bank of Calcutta, showing that the liabilities now stand at £570,000, while the assets are stated, according, as it is alleged, to a rigid estimate, at £440,000. The number of the shareholders is between 500 and 600, of whom the majority are absent from India. About £9,000 would suffice to get rid of 825 out of 930 creditors, and it had been hoped that the payment of this small sum might consequently have been effected at once; but, although claimants to the amount of £175,000 had promised forbearance, and to take *pro rata* instalments, the circumstance of an individual creditor having insisted on the sheriff issuing an execution upon a judgment obtained by him, had rendered a forced and ruinous sale of the assets imminent, which might cause the ultimate liquidation to be a more disastrous one for the shareholders than would otherwise appear probable from the above statement.—*The Times*.

THE EXCHANGES WITH INDIA.—The *Bombay Telegraph* says, "The Supreme Government has just issued a notification, announcing that the obnoxious hypothecation system is to be continued during the ensuing official year (1848-49), and that, so far as is at present known, the sum required to be provided in India by the purchase of bills, will be £700,000, or *seventy lakhs of rupees*. The rate of exchange is to be 1s. 10d. per rupee, until further notice; and the advances are to be to the extent of three-fourths of the value of the goods hypothecated. From this announcement it is evident that there is no intention on the part of the Honourable Court of Directors to abandon the mischievous practice of entering the exchange markets of India, and deranging mercantile transactions; and we trust the commercial bodies here and at home will resolve on making yet another strenuous combined effort to upset so unjustifiable a system. Both houses of parliament should be moved in the matter; for the Leadenhall Street authorities, if deaf to official remonstrance, and out-of-doors agitation, are at least compelled to listen with some degree of respect to the opinions expressed in the 'Great Council of the Nation.'"

EXTENSIVE ROBBERY OF BANK OF ENGLAND NOTES IN 1843, FROM MR. BLACKMORE, M.P.—A person named *Abraham Simmonds*, the owner of a public house adjoining the Surrey Theatre, London, has been committed to Newgate for trial, charged with having in his possession two £1,000 notes of the Bank of England, of which Mr. Blackmore was robbed in 1843, knowing them to have been stolen. The notes were passed by the prisoner through the Southwark Branch of the London and Westminster Bank; and he alleges that he took them of some person with whom he had betted at Epsom races. When the trial is over we shall give further particulars of the robbery, which was effected in a very skilful and mysterious manner.

LIMITATION OF LIABILITY OF JOINT-STOCK BANK SHAREHOLDERS.—The proposed limitation of liability of joint-stock bank shareholders, referred to in our last, continues to be discussed in commercial circles. *The Times*

referring to the matter says:—"The recent failures of joint-stock banks in England and in India, and the probable effect which the sudden ruin of individuals under the law of unlimited responsibility will have in deterring all parties of station and property from henceforth connecting themselves with such undertakings, has led to an agitation of the question whether the safety afforded to the public by this law might not be maintained by more satisfactory means. It is contended, first, that in a bank, more than in any other kind of undertaking, it is desirable that the proprietors should be persons sufficiently experienced in commercial and monetary transactions to judge of the proceedings entered into, and that a serious evil will arise from the process which is now rapidly observable, of a substitution of a wholly inferior class in the place of shareholders of wealth; secondly, that although the proprietors of a bank are bound to look after their own position, and to take the responsibility of misconduct, it would be desirable that some degree of caution should be called forth on the part of the public, by the knowledge that, although the concern may be trusted under all ordinary circumstances of management, there is still a limit which should prevent that degree of confidence which is at present given to any bank with a rich proprietary, no matter how flagrant or wild its schemes; and thirdly, that although the protection of the public is the great point now urged, this protection would actually be rendered more effective by a more moderate system, since, although the public are certain of recovering all their claims in case of the failure of a joint-stock bank, this certainty furnishes no compensation for the distress occasioned by the intermediate delay, and by the general alarm caused by such an event; and as prevention of failures is of equal importance with the fact of ultimate solvency, the existing law, by keeping out that very class of shareholders who are most prudent, and whose vigilance would be most likely to avert disasters, counterbalances in one way the benefit it confers in another. What is desired, therefore, by those who entertain these views is, that the plan should be adopted of limiting the responsibility to double the amount of the nominal capital of the company, or, supposing this should not be deemed sufficient, to some amount that shall at all events enable an individual to know his risk, and to enter the concern without doing that which no wise man of property would ever do—namely, putting himself within the possibility of being at any unlooked-for moment utterly ruined."

FAILURES IN AMERICA.—The American journals give the following list of important commercial failures that have taken place in the United States during the past few months:—New York: Fox and Livingston, shipping merchants; A. C. Rossire and Co., ditto; E. D. Hurlbut and Co., ditto; Poillet Le Barbier and Co., French importers; De Launey and Co, bankers; Bonnaffe and Co., ditto; J. S. Lake and Co., brokers and bankers; J. Thompson, broker; Folger and Co., hardware dealers. Mobile: E. L. Andrews and Co., commission merchants; James Walsh, ditto; Maulden and Terrell, ditto; Hausell and Davis, ditto. Connecticut: Phelps' Manufacturing Co. New Orleans: E. Z. Andrews and Co., commission merchants. Besides the above there had been two large failures in St. Louis, produce dealers; one in Charleston, South Carolina, commission merchant; two in Boston; also four bank failures:—The Atlas Bank, New York; Memphis Bank, Tennessee; Bank of Wooster, Ohio; and Erie Bank, Pennsylvania.

'THE PRINCIPLES OF INSURANCE APPLIED TO MERCANTILE DEBTS,' is a pamphlet by Robert Watt, which suggests the introduction of a system (says *'The Times'*) at first sight as impracticable as it is desirable. Mr. Watt, looking at the various modes in which the insurance principle has been brought to bear,

not only as a protection against shipwreck and fire, but also against disease or death of cattle, the destruction of crops by hail, the possible dishonesty of persons in situations of trust, &c., and recognising at the same time the calamities to which even the most prudent trader is always more or less liable from the occurrence of losses through unforeseen failure, feels disposed to believe that this latter class of misfortunes might also come within the scope of a similar method of precaution. As business is at present conducted, a man with a sound trade, if his capital be small, may be swept away during the first year or two of his efforts by some almost accidental loss, when, if he could have spread that loss over a given period, he might have gone on to eventual prosperity; and even where the capital of the trader is what would be termed ample, he can never, let his caution be what it may, escape the anxiety that attends the possibility of a severe blow from some unlooked-for combination of circumstances. The difficulty of mitigating this want of security is, however, naturally regarded by most persons as insurmountable. Mr. Watt proposes an insurance company, in which A, when he intends to open a mercantile account with B, may, upon specified conditions, insure B's solvency at a certain per centage; but such a system, although not impossible, would be difficult of introduction, while at the same time, under any circumstances, it could only be carried out on such a petty scale, and accompanied by such troublesome and fluctuating arrangements, as would speedily cause it to be neglected. Still, the suggestion is one that contains a useful germ, and it may set some minds to work towards a practical result. In one form, indeed, the possibility of something of the kind being effected is already matter of experience. In New York it is the common custom not to discount bills of exchange, but to *sell* them. In this case the buyer has no recourse against the last endorser, and the difference of the amount which he deducts from the bill in consequence of the absence of this power as compared with what he would be content to deduct in the shape of ordinary discount is absolutely the rate which he charges for taking the chance of its payment. Suppose this principle extended to the case of merchants and others, who, with a portfolio of bills, might not require either to sell or discount them, but who would be glad to purchase freedom from anxiety by paying the difference between the two rates which constitutes the charge for risk, we should then have, as far as bills of exchange are concerned, a very simple and effectual means by which the complete benefits of the assurance principle might be obtained; and this, perhaps, might eventually lead to a system of a wider kind, approaching in some measure to that which Mr. Watt appears to contemplate.

Reviews of Books.

On the Regulation of Floating Capital and Freedom of Currency, with an Attempt to explain practically the general Monetary System of the Country.
By T. H. Milner. London: Smith, Elder & Co.

THE author of this treatise is resident at Barbadoes, where, having the opportunity of becoming familiar "with every different element of the business of banking," he thinks he is favourably circumstanced for viewing the subject as a whole, and for studying its details with greater advantage than many can possess. He says, "All the various points of banks of issue and deposits, of internal and external banking, with the business of exchange, I have seen in operation together; and in such a compass as, like a working model, enables all the different parts to be observed, and their several effects appreciated." As the details and causes which escape notice on the larger theatre of operations,

are plainly apparent in the smaller scene of business, he thinks his contribution to monetary science may be useful; and with this view he has published it, under all the disadvantages which his residence at a long distance from the place of publication naturally involves.

The work is evidently the production of a well-informed man of business, who knows how to express in a clear, straight-forward manner his views on the difficult question he investigates; and most of our readers will no doubt be pleased to see a matter in which they are interested so well discussed by a spectator at a distance. He shows very plainly the mistake into which the legislature has fallen, in endeavouring to regulate credit by a forced and unnatural restriction on the currency; and he brings forward an abundance of evidence to prove "that all attempts to regulate the currency,—meaning thereby the inferior instruments of circulation, coin and bank-notes, as distinguished from the higher and more important branch of circulation, the credit circulation—must be unsuccessful; because the currency regulates itself according to the proportion in which it is required." This doctrine he maintains with much ability, and we recommend his work to those who wish to see the arguments by which it is supported clearly and ably stated. He discusses a variety of questions incidental to the subject in an interesting manner, and the essay may take its place by the side of Mr. Fullarton's as a valuable contribution to Banking literature.

The Statistical Companion. By T. C. Banfield and C. R. Weld. London: Longman & Co.

THIS is an excellent compilation of statistical facts on almost every subject that can engage the attention of the general reader, or on which the politician, the man of science, or the man of business, may require exact information. Commencing with the statistics of astronomy and physical geography, it proceeds to those relating to government and social life, and descends to elaborate details of the condition of trade and manufactures, finance, banking, population, occupations of the people, shipping, government expenditure, our colonial empire, food, wages, crime, savings banks, and railways. In this list we may appear to have made a very miscellaneous selection; but it will indicate the variety to be found in the book, where however a well-arranged index prevents any difficulty being experienced in finding any subject that may be required. In looking over the railway share list, we observe that only a few quotations of prices are given under the head of "business done." It would add to the value of this part of the work if the prices of all the companies at a given date were inserted in any future edition. This might readily be obtained from the railway price lists.

The Influence of English Railway Legislation on Trade and Industry. By James Morrison, Esq. London: Longman and Co.

THOSE who remember the speeches of Mr. Morrison in the House of Commons on the subject of railway legislation, are aware that he is a very able advocate of great reforms in the existing railway system. Those speeches, and the elaborate report on the evidence taken before the Committee of the House, obtained by Mr. Morrison, and which report appears to have been drawn up by himself, will be found in an appendix to the present volume; and taken in connexion with the essay which precedes them, will afford the public a complete view of the changes advocated by the writer. These refer chiefly to the prohibition of railway extension, except on the French system of license for a term of years; a complete audit and full publication of railway accounts; and a general reduction of fares and of parliamentary expenses. The views of Mr. Morrison were not adopted by the house, but we are glad to

have them recorded in this convenient form for reference, as we shall not be surprised if many of them hereafter should be carried into effect.

Partnership "en Commandite," or Partnership with Limited Liabilities.

London: Effingham Wilson.

THE object of this work is to show that the system of partnership *en commandite*, by which persons can combine together for the purposes of trade, with a fixed amount of liability in case of loss, is preferable to our present system, by which partners are jointly and severally liable for the entire debts of the firm or company to which they may belong, unless specially protected by royal charter. The author contends that all trading partnerships should be carried on as if chartered; and he proposes to protect the public from any increased liability to loss, in consequence of relieving partners from their unlimited liability, by providing for the publication of accounts, and by other regulations similar to those now submitted to by chartered companies as a condition of their charters.

The author contends that if this system could be carried out, as in America and on the Continent, where partnerships *en commandite* are permitted, it would be the means of withdrawing capital from unprofitable and gambling speculations, for the purpose of being invested in trading operations; and that many branches of our home and colonial trade, which now suffer for want of capital, would be immediately and permanently benefitted. The manner in which the writer advocates his views is original and interesting. He has brought together a large number of facts to support his conclusions, and he has succeeded in rendering a dry legal subject a very readable one for mercantile men.

The law of partnership, more particularly as it relates to large companies, is at the present time in a very unsatisfactory condition; and we hope that the present work may be a means of directing attention to the subject, and lead to a complete and satisfactory reform.

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1. *The Bubble of the Age; or, the fallacy of Railway Investment.*
 2. *The Eastern Counties Railway viewed as an investment.*
 3. *The London, Brighton, and South Coast Railway.*
 4. *The Great Western Railway, and all the Broad Gauge Lines.*

THESE Pamphlets, which appear to be written by the same hand, present us with a minute analysis of Railway accounts, and will undoubtedly be useful and interesting to those who hold shares in any of the lines specified. On the whole, they give an unfavourable account of the present state of railway property, and if the author is wrong in his conclusions, which are drawn from the accounts published by the companies, he at least proves that these accounts are not published in a satisfactory form—or the mistake could not be made. The public are undoubtedly dissatisfied with the present system of Railway accounts. The suspicion which seems to attach to many of them, frightens small capitalists from investing their money in the shares; or we should not see such lines as those of the Great Western and the North Western with their shares at prices which yield 8 per cent. on present investments.

The Evils of the Currency, No. 2, (by J. C. Wright, Esq., of Nottingham,) is another useful pamphlet by a gentleman whose previous essays have been noticed with approval in our pages. His object is to make the evils inflicted on the country by the Bank Charter Act apparent to parties who may not be familiar with currency discussions, and the Essay appears to be well adapted for the purpose.

Monetary Intelligence.

REVIEW OF THE MONEY-MARKET FOR THE MONTH OF JUNE, 1848.

THIS has been on the whole a month free from any extraordinary events in the financial or mercantile history of the country, and the attempted counter-revolution in Paris during the past week, although far more sanguinary in its results than the Revolution of February, has not materially influenced the public funds here. The prices of the funds during the month have remained without material change, but with a tendency in the direction of higher prices. It cannot be said that this favourable turn has been produced by any rapid subsidence of the turmoil on the Continent; for we are not sure that there has been since February any succession of events of more substantial importance, than those which have occurred since our last review. Among the most remarkable, there is the unfavourable relapse which has taken place in the Danish war, and the probability that that war will be the means of producing a collision between the Northern Powers and those nations in the centre of Europe who aid the aggressive party in Schleswig. There are also the renewed disquietudes at Berlin, which, as far as we can judge, are fast expelling from the country to Hambro' and our own shores, the greater part of those who have property to lose, or skill to employ.

In the meantime the comparatively limited trade of the country—the utter discredit of all foreign enterprises—and the distrust which is still kept alive by occasional failures, have conspired to produce a partial glut of the money market, or, to use a very descriptive phrase, “the floating capital market” of London. The rate of interest in the beginning of the month had fallen as low as $2\frac{1}{2}$ to 3 per cent. on first rate short paper. Since that time it has somewhat recovered; and, from being almost a complete drug on the Stock Exchange, we believe that loans may now be negotiated among the jobbers. This abundance of capital would appear to be really at the bottom of the ready support which has been given to the stock market. It is difficult, however, to reconcile the firm appearance of consols with the decline which has taken place in the best and every kind of railway shares. A few figures will indicate the extent of this change. Thus, in the dates as under, the prices were of,—

		May 26.	June 23.
London and North Western	..	134	123
Midland	..	106	100
Great Western	..	96	85
Lancashire	..	74	73
York and North Midland	..	72	66

We confess ourselves at a loss to reconcile this discrepancy between results which apparently depend upon the same causes. There is indeed one way of explanation, which is probably not far from the truth. If we suppose that the class of capitalists who are interested in railway property are very much a class to themselves, composed, with few exceptions from one year to another, of nearly the same men and women, it will then be easy to understand how the value of one description of shares should decline when there is a great transfer of funds—as in the case of extensive calls—to another description of shares. Lately there have been many phenomena in the share market, which gave considerable countenance to this hypothesis—a hypothesis, which it is certainly

the direct advantage of all people concerned in this new pursuit to understand thoroughly, if it be true. And we are certainly inclined to regard the railway interest as an interest which does not enlist many new recruits.

THE STATE OF TRADE.

The very decided improvement which took place in the state of the industrial districts in the month of April, has not been altogether lost; but we regret to say that it has not been well maintained. The following return of the state of employment in Manchester, will convey the most accurate impression of the difference between the present and the preceding month. It must be borne in mind, however, that the return of the 20th June is hardly a fair representation of the precise facts at that time, for the whole of the mills had not entirely resumed their usual course of activity after the suspension of Whitsuntide. In reality, therefore, the facts are rather better than the figures indicate.

	Mills.		Work people.	
	16th May, 1848.	20th June.	16th May, 1848.	20th June.
Working full time	.. 154 ..	.. 135 ..	.. 30,706 ..	.. 29,745 ..
Working short time	.. 35 ..	.. 43 ..	.. 6,090 ..	.. 6,274 ..
Stopped work ..	.. 20 ..	.. 25 ..	.. 7,937 ..	.. 8,403 ..
	209	203	44,733	44,422

It is very satisfactory to find that we have got completely rid of the incubus of dear cotton. The price has fallen so low, that a partial abandonment of cotton culture for sugar culture is apprehended in some of the southern districts of the United States.

THE CORN TRADE.

The *Gazette* averages for England and Wales have been:—

Weeks ended, 1848.	Qrs. sold.	Weekly average.	Six Weeks' average.	Duty.	Corresponding Six Weeks Last Year.
		s. d.	s. d.	s. d.	s. d.
May 20 ..	80,458 ..	48 4 ..	49 4 ..	8 0 ..	81 10 ..
„ 27 ..	90,584 ..	47 8 ..	49 1 ..	8 0 ..	86 7 ..
June 3 ..	100,275 ..	48 1 ..	48 11 ..	9 0 ..	90 7 ..
„ 10 ..	108,837 ..	47 8 ..	48 7 ..	9 0 ..	92 2 ..
„ 17 ..	99,532 ..	46 10 ..	48 1 ..	9 0 ..	93 9 ..
„

These returns sufficiently indicate the placid condition of the grain markets. Every now and then, when there is a partial improvement in the price, the farmers hasten to relieve their granaries of some of their abundant contents; but the state of opinion among them as to future contingences has not yet led them to be eager sellers except under the influence of some extra inducement. We certainly entertain the belief that there is a very large quantity of grain in store among the farmers, and coupling this circumstance with the present harvest prospects, we do not see much probability of any important addition to the value of the article. As always happens, the accounts from the country are conflicting. We are led to think that while, with a favourable August and September, the general result will be quite an average crop, yet there will be few years in which the produce has been so irregularly distributed. The accounts from Ireland are decidedly favourable, and an opinion is entertained that the potato crop looks better, and that there is more of it, than even in

the most favourable of recent years. This is an element not to be lost sight of for a moment in attempting to estimate the range of next year's prices: and although not so essential a condition of the problem, it is a consideration intimately connected with it,—that the advices from America promise a most abundant harvest in all the agricultural States.

THE EXCHANGES.

There has been a gradual rise, for several weeks past, in the premium on gold at Paris, and also in the rate of exchange in London. Thus—

		26th May.	23rd June.
Premium	..	15.00	20.00
One month	..	25.42	25.52

There is nothing in these enhancements which may not arise from circumstances connected with the balance of payments, but they have a very suspicious appearance, and look exceedingly like the early symptoms of a depreciation of the compulsory notes of the Bank of France. The tide of the metals between England and France and Hambro' has been decidedly a tide from England to these places. Our reserve of bullion has very considerably increased, but not by arrivals from any of the countries between Spain and the Elbe. The bulk of the specie which has come to us has been shipped in the lower ports of the Mediterranean, in the United States, and in Calcutta. From the latter place there has been, and will again be, a large importation of silver. The total amount of specie received here during the month has been unusually large; and notwithstanding the export to the continent, it will be seen that the stock in the Bank of England is gradually approaching the highest figure it has yet attained.

BANK OF ENGLAND.

The Bank's returns have been:—

LIABILITIES.							
Date. 1848.	Circulation.	Public Deposits.	Private Deposits.	Total Deposits.	Rest.	Total Liabilities	
May 20	19.12 ..	4.41 ..	9.18 ..	13.59 ..	3.44 ..	36.17	
" 27	18.84 ..	4.86 ..	9.13 ..	13.99 ..	3.39 ..	36.23	
June 3	18.82 ..	5.22 ..	9.08 ..	14.30 ..	3.38 ..	36.50	
" 10	18.68 ..	5.65 ..	9.05 ..	14.70 ..	3.39 ..	36.78	
" 17	18.39 ..	5.91 ..	9.16 ..	15.07 ..	3.39 ..	36.85	

ASSETS.							
Date. 1848.	Public Securities.	Private Securities.	Bullion in Banking De- partment.	Bullion in Issue De- partment.	Total Bullion.	Total Assets.	
May 20	11.71 ..	11.08 ..	9.28 ..	4.10 ..	13.38 ..	36.17	
" 27	11.75 ..	10.97 ..	9.70 ..	3.81 ..	13.51 ..	36.23	
June 3	11.97 ..	10.93 ..	9.82 ..	3.78 ..	13.60 ..	36.50	
" 10	12.10 ..	10.84 ..	10.20 ..	3.64 ..	13.84 ..	36.78	
" 17	12.09 ..	10.59 ..	10.79 ..	3.38 ..	14.17 ..	36.85	

Reduction of the Bank's Minimum Rate of Discount.—In the course of the week ending the 10th June, the Bank of England intimated their willingness to lend money on the usual securities till the middle of July, at 3 per cent. per annum; and on the 15th June, they formally reduced their minimum rate from 4 per cent. to 3½ per cent. Both these alterations are abundantly justified by the tenor of the Bank Returns, especially

by the magnitude of "*the Reserve*" in the Banking department,—which, as the public have learned to their cost, is the real pivot upon which the policy of the Bank is made to revolve. That reserve, we believe, is at present above eleven millions, or within a comparatively small sum of the highest point at which it has stood at any former date. It does not appear that either the 3 or the $3\frac{1}{2}$ per cent. rate have brought the Bank any increase of business, but rather the contrary;—the continued decrease of the "*other securities*" affording a striking proof of the depressed condition of the general trade of the country. The discount-brokers have taken care not to be underbidden by their formidable competitor, and there is no reason to apprehend that the recent liberality of the directors will prevent them from being abundantly able to accommodate Sir Charles Wood with a handsome advance on deficiency bills for the payment of his July dividends—a necessity under which he is in a fair way of finding himself.

STATE OF BANKING IN NEW SOUTH WALES.

THE following is a General Abstract of the Sworn Returns, rendered pursuant to the Act of Council, 4 Victoria, No. 13, of the Average Assets and Liabilities, and of the Capital and Profits of the undermentioned Banks of the colony of New South Wales, for the quarter ended 31st December, 1847:—

	BANKS.									
	New South Wales.		Commercial.		Australasia.		Union of Australia.		Totals.	
	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
LIABILITIES.										
Notes in circulation....	34,709	9 3	43,738	16 11	77,448	16 11	80,717	19 11	236,597	3 9
Bills in circulation....	....		7,341	7 6	12,212	8 1	5,301	13 2	24,885	8 9
Balances due to other Banks.....	....		....		....		1,674	4 11	1,674	4 11
Deposits.....	251,323	13 11	158,348	18 7	396,140	2 6	487,591	4 0	1,233,412	19 0
Total Liabilities....	296,683	3 2	209,411	3 0	485,810	7 6	515,283	2 0	1,496,539	15 8
ASSETS.										
Coins.....	143,882	9 6	78,027	2 0	179,323	9 3	192,655	18 1	593,888	18 10
Landed Property.....	12,148	5 6	7,426	4 5	15,756	10 1	27,047	16 2	62,378	16 2
Notes and bills of other Banks.....	....		....		1,029	14 5	....		1,029	14 5
Balances due from other Banks.....	1,738	8 10	884	16 3	....		503	9 2	3,126	14 4
Notes and bills discounted, and all other debts due to the Banks	271,760	1 9	254,648	16 0	810,174	0 1	496,140	5 11	1,832,723	3 9
Total Assets.....	429,629	5 7	340,986	18 8	1,066,183	13 10	716,247	9 5	3,493,147	7 6
CAPITAL & PROFITS										
Capital paid up.....	104,272	10 0	125,795	0 0	900,000	0 0	820,000	0 0	1,950,067	10 0
Rate per annum of last Dividend.....	10 per cent.		6 per cent.		Nil.		6 per cent.		....
Amount of Dividend ..	5,213	12 6	3,772	16 8	Nil.		24,600	0 0	33,586	9 2
Amount of reserved profits, after paying dividend.....	34,209	16 0	3,861	2 5	Nil.		63,066	2 4	101,157	0 9

THE ENGLISH FUNDS.—Daily Prices from 27th May, 1848, to 26th June, 1848, inclusive.

	27	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	19	20	21	22	23	24	26
Bank Stock (div. 9 per Cent.)	192	193	193	191	191	191	191	191	191	191	191	192	193	193	191	191	191	191	192	192	192	191	191	192	192	192	192	192
3 per Cent. Red. Anns.	83	83	83	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
5 per Cent. Consols Anns.	84	84	84	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
3 per Cent. Anns. 1796	83	83	83	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
3 per Cent. Anns.	83	83	83	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
New 5 per Cent. Anns.	83	83	83	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Long Anns. Jan. 5, 1860	83	83	83	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Ditto 30 years, Oct. 10, 1849	83	83	83	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
Ditto 30 years, Jan. 5, 1860	83	83	83	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82	82
India Stock (div. 10 per Cent.)	219	219	219	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217
Ditto Bonds (div. 10 per Cent.)	219	219	219	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217
Ditto, under £1000 (div. 3 p. c.)	219	219	219	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217	217
South Sea Stock (div. 3 p. c.)	81	81	81	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
Do. Old Anns. (div. 3 p. c.)	81	81	81	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
Do. New Anns. (div. 3 p. c.)	81	81	81	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
3 per Cent. Anns. 1751	81	81	81	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
Bank Stock for acct. May 9	81	81	81	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
3 p. Cent. Cons. for op. July 14	81	81	81	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
India Stock for op. July 14	81	81	81	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80	80
Ex. Bills £1000, 2d.	317	317	317	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315
Ditto, £1000 do.	317	317	317	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315
Ditto, Small do.	317	317	317	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315
Ditto, Advertiser	317	317	317	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315	315

JOINT STOCK BANKS.

	Latest Price.	£10	sh.	qd.
Australia	116	116	0	0
British North American	116	116	0	0
Commercial of London	116	116	0	0
London and Westminster	116	116	0	0
Ditto, New	116	116	0	0
London Joint Stock	116	116	0	0
Provincial of Ireland	116	116	0	0
Ditto, New	116	116	0	0
National of Ireland	116	116	0	0
National Provincial of England	116	116	0	0
Ditto, New	116	116	0	0
Union of Australia	116	116	0	0
Union of London	116	116	0	0
Colonial	116	116	0	0

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 5 per Cent.	116
Belgian Bonds, 4 1/2 per Cent.	116
Brazilian Bonds, 5 per Cent.	116
Buenos Ayres Bonds, 6 per Cent.	116
Cuba Bonds, 6 per Cent.	116
Chilian Bonds, 6 per Cent.	116
Colombian Bonds, 6 per Cent.	116
Danish 3 per Cent.	116
Greek Bonds 1824-25, 5 per Cent.	116
Granada	116
Mexican 5 per Cent., 1846.	116
Peruvian Bonds, 6 per Cent.	116
Prussian Bonds, 5 per Cent.	116
Portuguese Bonds, 4 per Cent.	116
Russian Bonds, 1822, 5 per Cent. in £ Ster.	116
Spanish Bonds 5 per C. div. from Nov. 1846	116
Ditto, Passive Bonds	116
Ditto, Deferred	116
Ditto, 3 per Cent. Spanish Bonds	116
2 1/2 per Cent. Venezuela Bonds	116
(Dividends on the above payable in London.)	116
Dutch 4 per Cent.	116
Ditto 4 per Cent. Loan	116
French 5 per Cent., at Paris 23rd June, 47. 25c.	116
Ditto 5 per Cent., ditto	116
Ditto 3 per Cent., ditto	116

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 33, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. May 27th.	1848. June 3rd.	1848. June 10th.	1848. June 17th.
Notes issued.....	£ 26,743,610	£ 26,866,060	£ 27,132,275	£ 27,352,845
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	3,084,000	3,184,000	3,084,000	3,084,000
Gold coin and bullion.....	11,338,612	11,448,002	11,737,377	11,947,847
Silver bullion.....	1,404,008	1,404,008	1,404,008	1,404,008
	26,743,610	26,866,060	27,132,275	27,352,845

BANKING DEPARTMENT.

	1848. May 27th.	1848. June 3rd.	1848. June 10th.	1848. June 17th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,391,979	3,385,158	3,391,339	3,390,049
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	4,966,035	5,317,473	5,653,823	5,911,604
Other deposits.....	9,135,479	9,098,673	9,056,348	9,157,261
Seven day and other bills.....	1,632,228	1,638,176	1,054,470	1,010,049
	39,978,725	33,276,479	33,708,874	34,029,973
Government securities (including Dead Weight Annuity).....	11,751,215	11,970,083	12,097,257	12,089,173
Other securities.....	11,534,730	11,488,596	11,398,651	11,146,009
Notes.....	8,631,645	9,098,655	9,505,315	9,975,240
Gold and silver coin.....	771,130	737,146	707,651	616,662
	39,978,725	33,276,479	33,708,874	34,029,973

The Exchanges.

	June 2nd.	June 9th.	June 16th.	June 23rd.
Amsterdam, 3 months.....	12 4	12 4	12 3½	12 3
Ditto at sight.....	—	—	—	—
Rotterdam, short ..	12 4	12 4	12 4	12 3½
Antwerp, 3 months.....	—	26 30	26 30	26 10
Hamburg, ditto.....	13 12½	13 12½	13 13	13 12½
Paris, ditto.....	25 55	25 60	25 60	25 60
Paris, 3 months.....	26	—	—	—
Marseilles, ditto.....	26	26	—	25 95
Bordeaux, ditto.....	—	—	—	—
Frankfort, ditto.....	—	122½	122½	122
Vienna, ditto.....	—	—	12 30	—
Trieste, ditto.....	—	—	12 30	—
Madrid, ditto.....	46½	46½	46½	—
Cadix, ditto.....	46	46½	47	46½
Laghora, ditto.....	31 50	31 50	31 50	31 50
Genoa, ditto.....	26	26	26	25 95
Naples, ditto.....	—	36½	36	36
Palermo, ditto.....	—	—	—	—
Messina, ditto.....	—	—	—	—
Lisbon, 60 days' date.....	51½	51½	52	51½
Oporto, ditto.....	—	51½	52	52½
Rio Janeiro, ditto ..	24	23½	—	—

Bankers' Magazine Appendix, July, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		April 29.	May 6.	May 13.	May 20.
	£	£	£	£	£
1 Andover Bank	17,751	11,465	10,116	10,524	11,581
2 Ashford Bank.....	11,849	11,023	10,901	9,439	9,311
3 Aylsham Bank	5,854	5,391	5,500	5,619	5,619
4 Aylesbury Old Bank	48,461	32,677	31,518	30,742	29,711
5 Baldock and Biggleswade Bank ..	37,223	28,411	29,221	28,343	27,711
6 Barnstaple Bank	17,182	13,335	12,607	12,502	12,502
7 Basingstoke and Odiham Bank....	24,730	18,524	16,837	16,231	16,231
8 Bedford Bank.....	34,218	31,017	30,686	29,033	29,033
9 Bedford and Bedfordshire Bank ..	8,515	6,612	6,501	6,423	6,423
10 Bewdley Bank	18,597	12,927	12,957	13,015	12,957
11 Bicester and Oxfordshire Bank....	27,090	15,261	15,971	15,548	14,711
12 Birmingham Bank—Attwoods & Co.	23,695	23,385	23,495	23,389	23,389
13 Birmingham and Warwickshire Bk.	18,132	14,224	14,401	14,277	14,277
14 Blandford Bank.....	9,723	7,067	6,878	6,471	6,471
15 Boston Bank—Garfit and Co.	75,069	72,672	69,781	70,249	70,249
16 Boston Bank—Gee and Co.	15,161	14,377	15,840	16,586	16,586
17 Bridgewater Bank	10,028	8,855	8,348	8,282	8,282
18 Bristol Bank	48,277	32,824	32,868	30,910	29,711
19 Broseley and Bridgenorth Bank ..	26,717	19,461	19,326	18,295	18,295
20 Buckingham Bank.....	29,657	20,310	19,855	19,425	18,711
21 Bury and Suffolk Bank.....	82,362	68,520	66,384	65,350	65,350
22 Banbury Bank	43,457	27,941	25,890	25,348	25,348
23 Banbury Old Bank	55,153	39,547	38,479	38,599	38,479
24 Bath City Bank	4,572	2,268	2,095	2,170	2,170
25 Bedfordshire Leighton Buzzard Bk.	36,829	33,606	31,247	29,205	28,711
26 Birmingham Bank—Taylor & Lloyds	38,816	31,740	33,880	33,497	31,711
27 Bradford Old Bank	12,676	11,486	12,320	13,015	13,015
28 Brecon Old Bank	68,271	55,709	59,565	62,145	60,711
29 Brighton Union Bank	33,794	29,578	28,363	26,796	26,796
30 Burlington and Driffield Bank	12,745	10,851	10,757	10,765	10,765
31 Bury St. Edmund's Bank.....	3,201	2,833	2,542	2,231	2,231
32 Bromsgrove Bank	16,799	16,250	16,735	15,418	15,418
33 Cambridge Bank—Mortlock & Son's	25,744	19,925	19,071	18,529	18,529
34 Cambridge and Cambridgeshire Bk.	49,916	46,045	45,185	44,990	44,990
35 Canterbury Bank	33,671	27,777	26,958	26,221	25,711
36 Carmarthen Bank	23,597	14,473	14,483	14,723	14,723
37 Chertsey Bank	3,436	2,853	2,746	2,563	2,563
38 Colchester Bank.....	25,082	16,876	17,274	16,665	15,711
39 Colchester and Essex Bank	48,704	33,304	32,875	32,414	31,711
40 Cornish Bank.....	49,869	37,357	36,970	35,673	34,181
41 Coventry Bank	12,045	9,117	9,044	8,106	7,711
42 City Bank, Exeter.....	21,527	18,993	18,769	17,567	17,567
43 Craven Bank	77,154	75,210	74,316	77,061	75,711
44 Christchurch Bank.....	2,840	2,330	2,210	2,142	2,142
45 Cardiff Bank	7,001	5,484	5,089	5,143	5,143
46 Chepstow Old Bank	9,387	7,419	7,454	7,422	6,811
47 Derby Bank—Messrs. Evans	13,332	12,540	13,928	13,239	11,711
48 Derby Bank—Smith and Co.	41,304	40,923	38,956	38,075	35,711
49 Derby Old Bank	27,237	25,602	26,891	25,356	24,711
50 Devizes and Wiltshire Bank.....	20,674	12,655	11,588	11,289	11,541
51 Diss Bank	10,657	10,173	9,748	10,587	10,461
52* Doncaster Bank and Retford Bank	77,400	63,298	62,145	61,914	59,711
53 Darlington Bank	86,218	77,798	78,055	81,556	80,211

* NOTE.—The fixed issue of this bank (Sir W. B. Cooke & Co.) is increased from £23,519 by the authorized addition of the Doncaster Bank fixed issue of Messrs. Lentham & Co., £13,021, the two banks being now united, as stated in *Bankers' Magazine* for March last, page 203.

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		April 20.	May 6.	May 12.	May 20.
	£	£	£	£	£
Devonport Bank	10,664	10,527	9,686	9,296	9,308
Dorchester Old Bank	48,807	39,523	42,891	41,451	41,582
East Cornwall Bank	112,280	86,428	85,893	84,792	83,316
East Riding Bank	53,392	51,287	49,974	48,981	48,004
Essex Bk. & Bishops Stortford Bk.	69,637	42,512	40,428	39,326	38,693
Exeter Bank	37,894	26,484	26,364	26,585	26,411
Fakenham Bank	24,293	19,094	19,305	18,630	17,920
Faringdon Bank & Bk. of Wantage	8,977	5,019	4,928	4,686	4,324
Farnham Bank	14,202	12,185	11,715	11,250	11,179
Faversham Bank	6,681	5,564	5,785	5,420	4,996
Godalming Bank	6,322	6,035	6,295	6,461	5,982
Grantham Bank—Kewney & King	19,401	6,498	5,401	4,820	4,820
Guildford Bank	14,524	12,054	13,982	14,509	13,061
Grantham Bank—Hardy & Co. . .	30,372	27,748	27,808	27,520	26,852
Hastings Old Bank	38,038	24,834	23,460	22,295	19,030
Hereford City and County Bank..	22,364	15,853	15,920	15,211	14,761
Hertford and Ware Bank	23,635	21,240	20,935	19,599	18,020
Hull & Kingston-upon-Hull Bank	19,979	18,461	18,874	19,250	18,000
Huntingdon Town & County Bank	56,591	39,830	41,080	40,877	38,899
Harwich Bank	5,778	4,844	5,474	5,150	4,900
Hemel Hempstead Bank	23,842	22,020	21,588	21,540	20,903
Hertfordshire, Hitchin Bank	38,764	37,263	37,173	36,352	33,993
Hereford, Ross, & Archenfield Bk.	27,625	20,329	19,502	18,688	18,893
Ipswich Bank	21,901	20,017	19,376	19,095	17,897
Ipswich & Needham Market Bank	80,699	71,824	68,884	67,066	63,646
1 Kentish Bank	19,895	10,861	10,687	10,747	11,652
1 Kingston and Radnorshire Bank ..	26,050	22,429	20,904	20,554	19,497
1 Knighton Bank	9,090	7,020	6,584	6,678	7,025
2 Knaresborough Old Bank	21,825	20,776	20,750	20,860	21,152
2 Kendal Bank	44,663	38,280	39,960	40,989	41,072
4 Kettering Bank	9,192	9,081	7,503	6,751	6,742
5 Lane End Staffordshire Bank	5,624	5,295	5,405	5,221	5,280
6 Leeds Bank	53,357	50,558	51,561	50,324	50,174
7 Leeds Union Bank	37,459	33,509	34,873	34,935	34,905
8 Leicester Bank	32,322	27,173	25,424	25,648	27,294
9 Lewes Old Bank	44,836	32,779	32,032	31,562	30,413
0 Lichfield Bank	22,786	20,995	20,616	20,163	19,903
1 Lincoln Bank	100,342	93,343	96,283	99,918	102,825
2 Llandovery Bank & Llandilo Bank	32,945	17,182	17,978	25,431	26,025
3 Loughborough Bank	7,359	6,208	6,675	7,115	6,849
4 Lymington Bank	5,038	3,315	3,425	3,350	3,323
5 Lynn Regis and Lincolnshire Bank	42,817	38,903	37,889	39,273	37,849
6 Lynn Regis and Norfolk Bank ..	13,917	13,488	13,892	13,993	14,229
7 Macclesfield Bank	15,760	11,330	11,371	11,490	11,821
8 Manningtree Bank	7,692	6,199	6,119	5,705	5,382
9 Marlborough Bank	19,073	12,870	13,176	13,507	12,850
0 Marlboro & North Wiltsh. New Bk.	12,490	7,189	7,687	7,300	7,311
1 Merionethshire Bank	10,906	7,343	7,242	7,897	8,644
2 Miners' Bank	18,688	12,963	13,486	14,256	13,633
3 Monmouthsh. Agricul. & Com. Bk.	29,335	25,011	27,592	27,514	24,500
4 Monmouth Old Bank	16,385	14,509	15,854	16,131	15,736
5 Monmouthshire Newport Old Bank	8,600	7,866	7,327	6,787	7,130
6 Newark Bank	28,788	23,516	23,306	24,747	26,672
7 Newark and Sleaford Bank	51,615	54,728	51,068	49,130	48,751
8 Newbury Bank	36,787	20,609	19,985	18,948	19,734
9 Newmarket Bank	23,098	22,865	22,256	19,573	18,158
10 Norfolk and Suffolk Bank	4,551	2,054	2,012	2,045	2,033
11 Norwich Crown Bank	45,120	41,374	38,998	37,586	37,794

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		April 29.	May 6.	May 13.	May 20.
	£	£	£	£	£
112 Norwich and Norfolk Bank.....	75,372	64,320	63,404	61,044	60,132
113 Nottingham & Nottinghamsh. Bk.	10,866	9,033	9,084	8,743	8,883
114 Nuneaton Bank	5,898	5,105	4,696	4,398	4,719
115 Naval Bank, Plymouth	27,321	24,970	23,856	23,210	22,001
116 New Sarum Bank	15,659	9,429	9,607	10,172	10,080
117 Nottingham Bank	31,047	30,333	28,680	29,252	25,971
118 Oswestry Bank.....	18,471	11,641	12,325	11,898	11,505
119 Oxford Bank	14,277	11,325	10,736	10,370	9,643
120 Oxford Old Bank	34,391	29,425	27,830	27,564	28,244
121 Old Bank Tonbridge	13,183	8,639	8,465	8,331	8,497
122 Oxfordshire Witney Bank	11,852	9,039	8,925	8,465	8,385
123 Pease's Old Bank, Hull	48,807	46,264	44,948	45,586	45,028
124 Penzance Bank.....	11,405	10,010	10,484	10,296	9,505
125 Peterborough Bank—Yorke & Co.	12,545	9,121	10,026	9,575	8,336
126 Peterborough Bk.—Simpson & Co.	12,832	11,647	10,948	11,085	9,933
127 Pembrokeshire Bank	12,910	6,420	6,305	6,637	6,994
128 Reading Bank—Simmonds & Co.	37,519	26,404	27,790	27,203	26,596
129 Reading Bank—Stephens & Blandy	43,271	27,211	27,963	26,130	24,917
130 Richmond Bank, York	6,889	5,687	5,735	5,837	6,204
131 Ringwood and Poole Bank	11,856	8,910	8,748	8,460	8,671
132 Rochdale Bank.....	5,590	4,025	4,581	4,313	3,906
133 Rochester, Chatham, & Strood Bk.	10,480	8,933	8,341	8,153	7,996
134 Royston Bank	16,393	14,803	14,225	13,189	12,170
135 Rugby Bank.....	17,250	14,705	13,517	12,778	13,611
136 Rye Bank.....	29,864	16,306	16,185	15,428	14,435
137 Reigate and Dorking Bank	13,700	12,000	12,286	10,945	10,749
138 Ross Old Bank, Herefordshire ..	7,420	4,048	3,749	3,617	3,782
139 Saffron Walden & North Essex Bk.	47,646	34,927	32,286	30,686	29,922
140 Salop Bank	22,338	11,685	11,744	11,338	11,005
141 Scarborough Old Bank	24,813	21,552	21,235	21,323	21,760
142 Shrewsbury Old Bank.....	43,191	32,183	31,868	30,671	28,903
143 Sittingbourne and Milton Bank ..	4,789	3,370	3,389	3,416	3,412
144 Southampton Town & County Bk.	18,589	13,923	15,054	14,420	13,698
145 Southwell Bank	14,744	12,749	11,774	12,300	12,695
146 St. Albans Bank	3,743	1,152	1,038	1,290	1,260
147 Southampton and Hampshire Bank	6,770	3,878	3,542	3,262	3,067
148 Stone Bank	9,154	5,534	5,377	4,912	4,720
149 Stourbridge Bank.....	17,295	14,695	13,770	14,173	13,568
150 Stafford Old Bank	14,166	13,314	12,926	12,690	12,574
151 Stamford and Rutland Bank	31,858	29,145	28,740	29,480	27,753
152 Stourbridge Old Bank.....	17,560	16,108	16,892	17,224	16,964
153 Shrewsbury and Welsh Pool Bank	25,336	23,441	23,195	21,739	21,411
154 Taunton Bank	29,799	18,998	19,811	19,426	17,995
155 Tavistock Bank	13,421	11,093	10,049	10,040	9,945
156 Thornbury Bank	10,026	10,291	10,127	8,871	7,922
157 Tiverton and Devonshire Bank ..	13,470	7,635	7,957	7,840	7,237
158 Thrapstone and Kettering Bank ..	11,559	10,589	10,701	10,452	9,976
159 Tring Bank and Chesham Bank ..	13,531	13,284	12,461	11,953	11,469
160 Towcester Old Bank	10,801	8,987	8,401	8,398	8,379
161 Union Bank, Cornwall	17,003	7,674	7,668	7,860	7,591
162 Uxbridge Old Bank.....	25,136	18,732	18,243	17,593	18,431
163 Wallingford Bank	17,064	7,895	7,548	7,057	6,783
164 Warwick and Warwickshire Bank	30,504	23,290	22,115	21,695	21,924
165 Wellington Bank, Somerset	6,528	2,788	2,524	2,534	2,343
166 West Riding Bank	46,158	43,387	42,975	42,095	42,257
167 Whitby Old Bank	14,258	14,755	13,795	14,265	14,222
168 Winchester, Alresford & Alton Bk.	25,892	18,238	17,104	16,630	16,694
169 Winchester and Hampshire Bank	6,737	4,000	4,257	3,950	4,320

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		April 29.	May 6.	May 12.	May 20.
	£	£	£	£	£
70 Weymouth Old Bank	16,461	12,416	11,822	11,772	11,461
71 Wirksworth and Derbyshire Bank	37,602	35,509	35,419	34,235	31,916
72 Wisbech and Lincolnshire Bank..	59,713	55,014	56,619	55,011	54,971
73 Wivelscombe Bank.....	7,602	6,420	6,287	6,604	7,291
74 Wolverhampton Bank—Goodricke & Co.	14,180	12,417	12,052	11,834	12,139
75 Worcester Bank	15,463	9,774	9,417	10,394	9,185
76 Worcester Old Bank	87,448	72,620	72,468	70,842	67,449
77 Worcestershire Bank	14,309	10,865	10,435	10,183	9,575
78 Walsall Old Bank	19,937	18,161	17,440	17,413	17,270
79 Warminster and Wiltshire Bank..	24,896	12,744	12,465	12,307	11,235
80 Wrexham Bank	3,289	671	611	573	552
81 Wolverhampton Bank—R. & W. Fryer	11,867	10,130	10,747	10,224	10,182
182 Yarmouth and Suffolk Bank	53,060	45,083	43,827	41,501	40,905
183 Yarmouth, Norfolk, & Suffolk Bk.	13,229	12,226	11,553	11,654	11,093
184 Yeovil Old Bank	10,033	6,074	6,379	6,057	6,679
185 York Bank	46,387	41,257	41,742	41,880	40,700

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	8,225	8,475	8,713	8,559
2 Barnsley Banking Company	9,563	8,245	8,126	8,250	8,738
3 Bradford Banking Company.....	49,292	43,872	43,055	44,535	44,841
4 Bilston District Banking Company	9,418	8,982	8,656	8,418	9,325
5 Bank of Whitehaven.....	32,681	29,803	29,603	29,311	29,804
6 Bradford Commercial Banking Co.	20,084	13,924	14,875	14,955	15,098
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	58,990	58,980	55,566	54,408
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	9,079	9,494	9,260	8,529
9 Cumberland Union Banking Co. ..	35,395	32,268	33,415	32,692	32,201
10 Cheltenham & Glo'stershire Bk. Co.	12,786	9,429	9,263	9,490	9,101
11 Coventry & Warwickshire Bk. Co.	28,734	22,874	22,790	22,100	20,310
12 Coventry Union Banking Company	16,251	13,370	13,466	12,815	12,690
13 County of Gloucester Banking Co.	144,352	103,134	104,841	97,840	96,173
14 Carlisle & Cumberland Banking Co.	25,610	25,390	26,202	25,947	24,461
15 Carlisle City and District Bank....	19,972	22,394	20,616	18,895	18,374
16 Dudley & West Bromwich Bkg. Co.	37,696	35,882	35,071	38,085	37,493
17 Derby and Derbyshire Banking Co.	20,093	19,645	20,254	18,815	18,319
18 Darlington Dist. Joint Stock Bk. Co.	26,134	20,331	21,502	23,024	23,517
19 East of England Bank	25,025	24,330	24,103	23,701	23,311
20 Gloucestershire Banking Company	155,920	139,310	137,565	134,067	135,867
21 Halifax Joint Stock Bank.....	18,534	13,335	13,642	13,465	12,976
22 Huddersfield Banking Company ..	37,354	32,741	31,908	33,059	34,182
23 Hull Banking Company	29,333	28,255	27,490	27,819	28,281
24 Halifax Commercial Banking Co...	13,733	8,585	8,411	8,335	8,816
25 Halifax & Huddersfield Union Bank	44,137	27,989	28,556	33,024	33,339
26 Helston Banking Company	1,503	1,415	1,552	1,621	1,400
27 Herefordshire Banking Company...	25,047	20,260	20,912	19,322	19,320
28 Knaresborough and Claro Bkg. Co.	28,659	26,551	26,490	25,537	25,470
29 Kingsbridge Joint Stock Bank	3,952	3,647	3,383	3,276	3,214
30 Lancaster Banking Company	64,311	62,936	64,567	63,747	62,102
31 Leeds Banking Company	23,076	20,257	21,645	19,200	19,175
32 Leicestershire Banking Company..	86,060	74,701	76,063	72,310	73,713
33 Lincoln and Lindsey Banking Co.	51,620	53,657	48,362	48,232	47,913
34 Leamington Priors & Warwicksh. Bk.	13,875	10,320	11,360	10,696	10,198
35 Ludlow and Tenbury Bank	10,215	9,622	9,754	8,393	7,372

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issues.	AVERAGE AMOUNT.			
		April 29.	May 6.	May 13.	May 20.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	24,755	24,358	23,638	22,243
37 Nottingham and Notts. Banking Co.	29,477	28,049	27,550	27,043	26,380
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	6,700	6,190	5,836	5,568
39 National Provincial Bk. of England	442,371	388,984	387,909	379,351	369,208
40 North Wilts Banking Company ..	63,939	51,021	49,322	48,851	48,010
41 Northamptonshire Union Bank ..	84,356	69,840	67,765	65,407	63,599
42 Northamptonshire Banking Co. ..	26,401	23,165	22,303	21,945	21,133
43 North and South Wales Bank	63,951	18,380	18,552	18,027	18,345
44 Pare's Leicestershire Banking Co...	59,300	54,699	52,375	52,135	50,607
45 Saddleworth Banking Company	8,122	2,158	2,193	1,873	1,915
46 Sheffield Banking Company	35,843	34,816	34,595	35,145	35,310
47 Stamford, Spalding & Boston Bk. Co.	55,721	51,330	49,641	51,967	50,830
48 Stuckey's Banking Company	356,976	268,960	263,610	250,642	245,688
49 Shropshire Banking Company	47,951	38,052	38,615	38,114	38,715
50 Stourbridge and Kidderminster Bk.	56,830	52,628	52,130	51,890	49,302
51 Sheffield and Hallamshire Bank ..	23,524	18,359	18,028	18,783	17,572
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,405	53,017	50,877	49,903
53 Swaledale and Wensleydale Bank..	54,372	51,238	50,514	50,495	51,552
54 Storey's and Thomas's Bank	9,714	10,075	9,499	9,105	9,573
55 Sheffield and Retford Bank	18,744	849	821	810	812
56 Wolverhampton & Staffordsh. Bank	35,378	35,744	36,045	36,305	32,142
57 Wakefield and Barnsley Union Bank	14,604	11,867	12,435	12,616	13,156
58 Whitehaven Joint Stock Bank	31,916	29,526	29,234	28,185	26,867
59 Warwick and Leamington Bkg. Co.	37,124	30,606	30,633	30,137	29,349
60 West of England and South Wales District Bank	83,535	67,701	68,427	67,136	64,419
61 Wilts and Dorset Banking Company	76,162	63,214	60,139	58,935	58,681
62 West Riding Union Banking Co. ...	34,029	25,602	24,719	24,921	24,744
63 Whitchurch and Ellesmere Bkg. Co.	7,475	2,855	2,886	2,800	2,323
64 Worcester City & County Bkg. Co.	6,848	4,149	4,058	4,274	4,290
65 York Union Banking Company ..	71,240	69,002	67,273	68,066	69,199
66 York City and County Banking Co.	94,695	91,832	90,310	88,198	85,319
67 Yorkshire Banking Company	122,532	113,490	115,565	116,582	111,717

Summary of the above Returns.

	Fixed Issues. £	April 29. £	May 6. £	May 13. £	May 20. £
187 Private Banks	4,880,389	3,919,739	3,879,584	3,830,701	3,756,555
67 Joint Stock Banks ..	3,409,987	2,834,799	2,814,958	2,764,604	2,717,061
254 Totals	8,290,376	6,754,538	6,694,542	6,595,305	6,473,616

Average Weekly Circulation of these Banks for the month ending May 20th:—

Private Banks.....£3,846,645

Joint Stock Banks.....2,782,855

Average Weekly Circulation of Private and Joint Stock Banks

ending as above£6,629,500

On a comparison of the above with the Returns for the Month ending 22nd April last, it shows—

A decrease in the Notes of Private Banks, of£5,484

An increase in the Notes of Joint Stock Banks, of18,645

Total increase on the Month£13,161

CIRCULATION RETURNS.

And, as compared with the Month ending the 22nd May, 1847, it shows—

A decrease in the Notes of Private Banks, of £767,389

A decrease in the Notes of Joint Stock Banks, of 468,461

Total decrease, as compared with the same period of last year £1,235,850

The fixed issues of the several Banks of Issue in England and Wales, excepting the Bank of England, are now, according to the *Banking Almanac* for 1848, as follows:—

187 Private Banks, allowed to issue..... £4,880,389

67 Joint Stock Banks, allowed to issue..... 3,409,987

254

Total fixed issue £8,290,376

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are *below* their fixed issue £1,033,744

The Joint Stock Banks are *below* their fixed issue 627,132

Total *BELOW* the fixed issue..... £1,660,876

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 20th day of May, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	108,480	223,206	331,686	163,672
Royal Bank of Scotland ..	183,000	63,970	127,134	191,104	85,282
British Linen Company....	438,024	131,842	264,430	396,272	151,614
Commercial Bk. of Scotland	374,880	143,413	276,615	420,028	139,782
National Bank of Scotland	297,024	90,993	189,694	280,688	75,689
Union Bank of Scotland ..	327,223	110,916	203,445	314,361	89,072
Edinburgh & Glasgow Bk.	136,657	46,857	69,671	116,528	37,294
Banking Com. in Aberdeen	88,467	31,496	68,724	100,220	28,017
Aberdeen Town and Co. Bk.	70,133	27,145	53,849	80,993	14,449
North of Scotland Bk. Co.	154,319	55,807	88,357	144,164	20,486
Dundee Banking Company	33,451	6,397	19,989	26,386	5,351
Eastern Bank of Scotland..	33,636	9,635	21,588	31,224	5,532
Western Bank of Scotland	337,938	113,065	264,717	377,782	97,632
Clydesdale Banking Co. ..	104,028	21,308	78,975	100,284	25,719
City of Glasgow Bank	72,921	43,810	59,554	103,364	51,085
Caledonian Banking Co. ..	53,434	16,770	35,285	52,055	15,326
Perth Banking Company ..	38,656	13,085	26,198	39,283	12,393
Central Bank of Scotland..	42,933	14,632	31,265	45,897	9,542
TOTALS (Scotch Banks) ..	3,087,209	1,049,621	2,102,696	3,152,319	1,027,937

IRISH BANKS.

Bank of Ireland	3,738,428	1,922,250	1,049,575	2,971,825	799,611
Provincial Bank.....	927,667	319,443	410,674	730,117	323,636
Belfast Bank	281,611	33,445	171,762	205,207	106,207
Northern Bank	243,440	24,070	136,013	160,083	66,353
Ulster Bank	311,079	22,648	152,914	175,563	57,802
National Bank	761,757	216,337	323,440	539,775	218,628
Carrick-on-Suir Nat. Bank	24,084	4,045	7,410	11,445	3,522
Clonmel National Bank ..	66,428	19,223	27,423	46,647	12,726
TOTALS (Irish Banks)	6,354,494	2,561,461	2,279,211	4,840,662	1,588,485

SUMMARY OF IRISH AND SCOTCH RETURNS TO MAY 20th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 20th May, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £4,910,663
Average Circulation of the Scotch Banks 3,152,319

Total Average Circulation of these Banks
for the past month £7,992,981

On comparing these amounts with the Returns for the month ending 22nd April last, they show—

Decrease in the Circulation of Irish Banks £166,371
Increase in the Circulation of Scotch Banks 318,148

Total increase last month..... £49,777

And as compared with the month ending 22nd May, 1847, they show—

Decrease in the Circulation of Irish Banks £1,177,757
Decrease in the Circulation of Scotch Banks £364,625

Total decrease on the year £1,542,383

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue .. £6,364,494
18 Banks in Scotland, allowed to issue 3,067,209

26 Banks in all, allowed to issue £9,441,703

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £1,513,832
Scotch Banks are above their fixed issue 65,110

Total below the fixed issue £1,448,722

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks £1,598,485
Gold and Silver held by the Scotch Banks 1,027,937

Total of Gold and Silver Coin £2,616,422

Being a decrease of £34,383 on the part of the Irish Banks, and a decrease of £11,716 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO MAY 20th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 20th May, 1848.

Circulation of Notes for the Month ending May 20th, as compared with the previous month :

	Apl. 22, 1848.	May 20, 1848	Increase.	Decrease.
Bank of England.....	£18,316,796	£18,411,806	95,160	—
Private Banks	3,832,129	3,846,645	—	5,484
Joint Stock Banks	2,704,310	2,782,855	18,645	—
Total in England.....	24,853,065	25,041,306	166,231	—
Scotland.....	2,834,171	3,152,319	318,148	—
Ireland	5,009,033	4,840,662	—	168,371
United Kingdom.....	£32,676,269	£33,034,287	158,098	—

The comparison of the month ending May 22, 1847, with the month ending May 20, 1848, shows a decrease in the Bank of England circulation of £916,218, a decrease in Private Banks of £767,389, and a decrease in Joint Stock Banks of £468,461; being a total decrease in England of £2,152,068; while in Scotland there is a decrease of £364,625; and in Ireland a decrease of £1,177,757. Thus showing that the month ending May 20th, as compared with the same period last year, presents a decrease of £2,152,068 in England, and a decrease of £3,694,450 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending May 20th, gives an aggregate amount in both departments of £13,043,400. On a comparison of this with the Return for the month ending April 22nd, there appears to be a decrease of £1,158,073; and as compared with the month ending May 22nd, 1847, being the corresponding period last year, there is an increase of £3,357,125.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 20th May, was £2,616,422, being a decrease of £46,099, as compared with the preceding month, and a decrease of £366,607, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE ;

AND

Journal of the Money Market.

AUGUST, 1848.

REPORT OF THE COMMITTEE OF THE HOUSE OF LORDS ON THE OPERATION OF THE BANK ACT.

THE committee appointed by the House of Lords "to enquire into the causes of the distress which has for some time prevailed among the commercial classes, and how far it has been affected by the laws for regulating the issue of bank notes payable on demand," have just issued their Report. We have received it so late in the month, that in order to make room for the following analysis of its contents, we have been obliged to postpone an article on the evidence taken on the same subject before the Committee of the House of Commons, the first portion of which evidence will be found in the *Supplement* that accompanies our present number. The Report of the Lords' Committee is a valuable commentary on the whole of the statements made before both committees, for the witnesses examined were nearly the same both in the Lords and Commons.

The report before us is a very able document, and is very creditable to those by whom it has been prepared. It contains a careful and impartial analysis of the evidence given before the Committee, which it considers under the following heads:—

1st. The causes and extent of the distress of 1847. On this point the Committee state that the witnesses concur in attributing the distress to the failure of the potato crop, and consequent large importation of grain; to excessive expenditure on railway enterprise; and more extensive operations in many branches of trade than the capital of those trades warranted. The great majority of the witnesses unite in representing the intensity of the pressure as more severe than the distress of 1837 and 1839, and many consider it to have been greater than that of the year of panic, 1825.

2nd. The effects of the treasury letter of 25th October.—

The Committee state that the remedy for the distress was sought and found in a departure from the restrictive principle of the Act of 1844, authorized by the well-known letter of the Prime Minister and Chancellor of the Exchequer—the salutary consequences of which “were recognized gratefully by almost every witness, even by those most favourable to the Act of 1844.” The Committee state that nothing but the absolute necessity for that measure could be its justification; and they add that the reserve, which had decreased nearly £1,500,000 within the short space of fourteen days, amounted to £1,176,740 only on the 30th October, of which sum no more than £568,470 was held in London, making, with the gold coin in the banking department, £719,523. At the same time the private deposits, for which the Bank were responsible, amounted to £8,580,000, independently of £4,760,000 of Government deposits. The deposits of the London bankers were more than £2,000,000 at the same time. On these grounds, and not relying on the statement of the governor of the Bank, that by the immediate sale of securities, notwithstanding the condition of the market, and by the refusal to discount, the Bank might have met all demands upon it; the Committee are of opinion that the issue of the Government letter was called for by the circumstances of the time, and saved the Bank and the country from evils of the most serious character.

3rd. The Committee show that “the efficiency of the circulation is not identical with its money amount,” inasmuch as an increased amount of notes issued was attended by extreme scarcity of circulation, in consequence of the hoarding on the part of the public and the bankers until confidence was restored.

4th. The inapplicability of applying the same rule to periods of favourable and adverse foreign exchange. And,

5th. The circumstance of the Act of 1844 applying the same rule in cases of an adverse and a favourable foreign exchange,—are next carefully examined by the Committee, who declare “that to apply one identical rule to cases where the exchanges are adverse or are favourable, is an error; that in both respects the Act of 1844 is defective, and *that in consequence of these defects it aggravated the distress of 1847, more especially in the months of September and October; and that it must have a tendency to lead to the same results hereafter, whenever similar circumstances shall arise.*

6th. The erroneous notion promulgated by the supporters of the Act of 1844, that the Bank was to be left free from responsibility in the issuing department, and left free likewise to manage the banking department on the principle of a private bank, is shown to have operated very injuriously on the management of the Bank.

7th. The unexampled fluctuation in the rate of discounts since the Act of 1844 is noticed. In 1837 the lowest rate was $3\frac{1}{4}$, the highest $5\frac{1}{4}$; difference, $2\frac{1}{4}$. In 1839 the lowest rate was $3\frac{1}{8}$, the highest $6\frac{1}{4}$; difference, $2\frac{3}{4}$. In 1847 the lowest rate was $3\frac{1}{4}$, the highest 10; difference, $6\frac{3}{4}$. These extreme fluctuations are shown to have been very injurious to commerce, and are proved, on the testimony of the governor and deputy-governor of the Bank of England, to have been occasioned by the state of the reserve in the banking department.

8th. The rates of discount of the Bank of England and the Bank of France are compared. The latter bank appears never to have had the rate of interest higher than 5 per cent. Lord Ashburton said, "I should state that the discounts of commercial paper by the Bank of France, so far from being insignificant as has been estimated, are in reality very large. I take it that on the average of years the discount of commercial paper by the Bank of France is larger than the discount of commercial paper by the Bank of England."

9th. The errors in the Bank management in 1846-47, in keeping the rate of interest too low, is also noticed, and

10th. The question of advances on deficiency bills is discussed. It is shown that the advances to the government could only be made at the expense of the commercial interests, who would be deprived of their usual accommodation in order to provide the funds required by the Bank.

11th. The limitation of the amount of silver to be held in the issue department is next referred to. The Committee concur in opinion with some of the most important witnesses, that the present limit of the one-fifth silver to four-fifths gold is arbitrary and injurious.

12th. The next point which engaged attention, was the publication of the Banks' account weekly, and an examination of the reasons urged against its continuance, in which the Committee do not coincide.

13th. This is the most important section of the Report, containing a narrative of the remedial measures recommended by the majority of the witnesses, and approved of by the Committee. We therefore quote this portion nearly in full, reserving our remarks on many of the important questions discussed therein for another article. The Committee state:—

"The Committee feel, in common with every witness examined, the duty and obligation of maintaining at all times the practical convertibility of the bank note. This they consider to be the first and most essential object, which, in all discussions like the present, must be kept constantly in view, both by the Legislature and by those who direct the banking operations of this great commercial community. Upon the practical enforcement of this principle,

not only does the public and private credit depend, but the whole industry of the productive classes, and the wages of labour. On this point, therefore, the Committee have the satisfaction to think that there can be no difference of opinion. The practical questions to be settled at present are, Whether this great benefit is attained with certainty? Whether it is attained by proper means? and, Whether the restrictions of the Act of 1844 are not attended with grievous and unnecessary evils of a collateral kind? Many of the provisions of that Act are, in the judgment of the Committee, as well as in the judgment of the great majority of the witnesses, judiciously adapted to the purpose for which they were framed. But an attempt to enforce by law, under all circumstances, one fixed and inflexible rule for the management of a national bank of issue seems inconsistent with the best written authorities, with the general principles of economical science, as well as with the testimony of many witnesses of practical knowledge and experience. It can hardly fail to be productive of most serious evils, more especially when a contraction of issues, indispensable in a state of adverse foreign exchanges, is rendered imperative, as it is by the Act of 1844, under circumstances which may be wholly opposite. It has been shown that an enlargement of the issues of the Bank under a favourable foreign exchange, would frequently be expedient at times when, under the provisions of the Act, no such enlargement would be possible, and even in cases where by the Act a compulsory contraction would be enforced.

“It is difficult, in the judgment of the Committee, to appeal to more demonstrative evidence on this subject than is to be found in the Treasury Letter of the 25th October. That letter was a practical repeal, by an act of authority, of the restrictive clauses of the Act. It appears impossible at once to defend the restrictive provisions of this Act, and to justify the letter, which in this respect abrogated, or at least suspended those very restrictive provisions. The Committee consider that those restrictions materially aggravated the pressure, and produced the panic of October, 1847. But even if those restrictions were originally defensible when enacted, their hold on opinion, as well as their authority in practice, have been materially impaired by the letter by which they were superseded,—by its acknowledged necessity, and by its undeniable success. The precedent has been established, and its application will inevitably be called for on other occasions; and it may so happen that the principle of relaxation will be applied under circumstances less urgent and less justifiable than those which occurred in 1847. The Committee are therefore of opinion that it is expedient for the legislature to provide specially for the manner and the responsibility of relaxing these restrictions in times when it can be done consistently with the perfect convertibility of the note—an obligation which should never be forgotten. That the contingencies under which a suspension of the restrictions of the Act will be called for and applied hereafter are not remote or improbable, is admitted even by those who defend the continuance of the Act in its integrity.” Mr. Loyd evidently considers the events which rendered the letter justifiable as likely to be of occasional recurrence, arising naturally out of the very framework and construction of the commercial system of England. In reference to the interposition of the Government in October, 1847, he observes:—

“It seems to me that the issue of that letter arose out of one of those peculiar combinations of circumstances which may occur occasionally in a community of prodigious activity and enterprise, carrying on trading operations upon a gigantic scale, and by means of an extended system of credit. You cannot build up in this country an enormous and complicated system of credit without being occasionally, under some very peculiar and extraordinary combination of circumstances, exposed to the possibility of panics seizing the public

mind, which cannot be regulated by any systematic legislative provisions, but which must be met, according to the exigency of the moment, by some extraordinary and exceptional measure.'

"Sir Robert Peel's letter, read by Mr. Cotton (3284), justifies the inference that, in his opinion, circumstances will occasionally arise when these restrictions must be suspended by an arbitrary act of authority.

"The Governor of the Bank expresses a still more distinct opinion that such contingencies will not be unfrequent. His evidence is as follows:—

"'You have stated that a foreign demand for gold and a domestic demand for gold are different and distinguishable things in their banking consequences. The Act of 1844 deals with those two different causes precisely in the same manner. Do you think that is right?—Yes, I do.

"'On what ground?—When I say that I think it is right, I think that you could not make provision in the Act for an exception like that of a panic which may arise once in five or six years, or not even that.'

"To leave these cases, when they do arise, to be dealt with by the irregular exercise of the mere authority of the crown and its advisers, setting aside "once in five or six years," or even at periods more remote, the express provisions of a distinct Statute, appears wholly inconsistent with that fixity and order which it is, or ought to be, the object of all law to secure. The evidence of Mr. Horsley Palmer (779-792), Mr. Gurney (1166, 1202, 1226), as well as that of many of the other witnesses, is most material as illustrative of these truths.

"Two suggestions have been made to the Committee; the one an absolute repeal of the Act of 1844: the other a continuance of the Act, accompanied by a power of relaxation. Believing that many of the provisions of that Act are judiciously adapted to secure the primary object of the convertibility of the bank note, and viewing the great balance of evidence which has been given in favour of the second of these alternatives, it is to that proposition that the Committee are desirous of directing the attention of your Lordships. It is true that to those who may have expected that the 7 & 8 Vict. c. 32 would effectually prevent a recurrence of cycles of commercial excitement and depression, the contrast between the Years 1845 and 1847 must produce a grievous disappointment. To those who anticipated that the Act would put a check on improvident speculation, the disappointment cannot be less, if reliance is to be placed (as the Committee are confident it may) on the statement of the Governor of the Bank, and of other witnesses, that 'Speculations were never carried to such an enormous extent as in 1846 and the beginning of 1847.' If the Act were relied on as a security against violent fluctuations in the value of money, the fallaciousness of such anticipation is conclusively proved by the fact, that whilst the difference between the highest and lowest rate of discount was, in the calamitous years 1837 and 1839, but two and a quarter to two and three quarters per cent., the difference in 1847 rose to six and three quarters. If it was contemplated that the number and the extent of commercial failures would have been lessened, the deplorable narrative of the Governor of the Bank, recording the failure of thirty-three houses comparatively in large business, in London alone, to the amount of £8,129,000, is a conclusive reply. If the enormous extent to which railroad speculation has been carried, be considered as an evil to which a sound system of banking could have applied a corrective, such a corrective has not been found in an act, since the passing of which, during a period of three years, an increased railway capital of upwards of £221,000,000 has been authorized to be raised by parliament; and when the enormous sum of £76,390,000 is stated, on high financial authority, to have been actually expended on railways in two years and a half. If the power of obtaining banking accommodation on moderate terms, were considered to be promoted

by the Act of 1844, it cannot be said that this important object has been attained, since it appears in evidence that in 1847, in addition to an interest of 9 or 10 per cent., a commission was also frequently paid, raising the charge to 10, 20, or 30 per cent. according to the time which bills had to run. The Committee are fully aware that alternations of periods of commercial excitement and of discredit, of speculation and of collapse, are likely to arise under all systems of currency; it would be visionary to imagine that they could be averted altogether, even if the circulation were exclusively metallic. But it is on this account that greater care should be taken to avoid increasing an evil, perhaps inevitable, by any arbitrary and artificial enactments.

"The Committee are of opinion, that the principle on which the Act of 1844 should be amended, is the introduction of a discretionary relaxing power, such power, in whomsoever vested, to be exercised only during the existence of a favourable foreign exchange."

"Several plans have been suggested by which such a relaxing power may be exercised, but they resolve themselves practically into three,—a legalized authority vested in the government; in the government and in the bank conjointly; or in the Bank of England alone. The objection obviously existing to the first of these propositions is, the danger that all governments are liable, more or less, to be influenced in such cases by political rather than by economical considerations. It may also be apprehended that the exercise of an undefined and extraordinary power would depend too much on the personal character or the political position of the minister for the time being. The second proposition is open to other but equally powerful objections. A divided responsibility becomes frequently no responsibility at all. The Government might cast the responsibility on the Bank, the Bank on the Government, and in this conflict the interests of the public would be forgotten or defeated. A third proposal (which, in the judgment of the Committee, is preferable to either of the two first), namely, vesting this discretion in the Bank of England, cannot be disposed of without giving some consideration to the constitution of the Bank of England. The objections which have been often urged against the Bank, more especially if intrusted with a discretion like that now under consideration, are a want of permanence and of consistency, derived from its system of periodical elections of Governors and Deputy Governors,—the evil consequences of filling those high and important offices, as well as the appointments to the Committee of Treasury, by a mere rotation of seniority, and the intimate connexion subsisting between the Directors and the commercial world of London, which may cast on them a degree of pressure difficult at times to be resisted. It seems, further, to be apparent from the evidence, that the immediate pecuniary interests of the proprietors as a trading company may at times supersede or control larger and higher considerations. This ought not to be. Whilst the Committee express this opinion, they must guard themselves from the supposition that they consider that the Bank ought to undertake or can perform functions which belong to the legislature and to the responsible Government. The first duty of the Bank of England is so to conduct its affairs as to secure means for the performance of all its engagements with integrity and good faith. Prudence and discretion, the application of scientific truth to assist, and, at times, to correct the inferences drawn from experience, should be its guiding principles; but no narrow views of the mere pecuniary interests of its proprietary should exclusively control its action. To the Bank of England Parliament has confided great privileges and exclusive powers; for the exercise of these powers the Bank is responsible. In these respects the Bank of England differs from an ordinary trading corporation; and, consequently, is bound always to keep in view the real and permanent interests of the commercial classes, and of that great community of which it forms a part. The true interests of the proprietors of bank stock

can never be prejudiced by being considered in connexion with these larger principles.

"If the Committee considered that the Act of 1844, which they desire to see amended so far as its restrictive clauses are concerned, was essential to the practical convertibility of the bank note, they would hesitate in recommending any change. But it should never be forgotten that the liability of the Bank consists in its deposits, as well as in its promissory notes. The legal obligation to discharge both is the same; the failure of either would be equally fatal. The protection given by the Act of 1844 is mainly given to the bank notes, and in some degree at the risk of the deposits. This appears undeniable on comparing the reserve, in the third week of October, with the amount of private deposits. Had any unfortunate circumstance interfered with the power of meeting the latter engagements, or had not the treasury letter been written, there seems little doubt of the fatal consequences which must have ensued. Had it been impossible to pay the deposits, a discredit of the bank note must have been the consequence. Nor can it be rationally questioned but that such a misfortune might have exposed to risk the convertibility of the bank notes.

The Committee have felt it their duty to examine witnesses connected with Scotch and Irish banks. As the great bulk of Scotch and Irish pecuniary transactions are adjusted in reference to the London money market, so long as the bank notes issued in the three parts of the empire are equally convertible on demand into the same coin, "the fluctuations of exchange between the countries will be generally limited by the price at which any given amount of bullion can be procured in the circulating medium of the debtor country and converted into the circulating medium of the creditor country, together with the insurances and charges of transporting it from the one to the other." It follows that any effects which the Act of 1844 has produced upon the London market must have had a corresponding influence in Scotland and Ireland. To those countries, and to this extent, all the foregoing observations of the Committee apply.

But as regarding the effects of the Act passed in 1845 for Scotland, if the obligation which it imposes on the banks of that country to keep a stock of gold corresponding in amount with the excess of circulation beyond the maximum fixed by the banking returns be intended to guard against excess of issue, the Committee apprehend any such danger to be imaginary. Should any over-issue take place, as compared with the circulation of Great Britain, it would manifest itself in the altered state of the exchange with London, and would thereby be corrected. The effect of the enactment has been to compel the Scotch banks to keep an amount of capital in gold, calculated at £900,000, which the habits of the Scotch do not seem to require for the purposes of circulation, and for which consequently there has not been any preference shown, nor any effective internal demand. Hence this capital is to a certain degree unproductive. Independently of the enactments in question, this capital might be invested by the Scotch banks in public securities, so far augmenting their profits, and the gold would either be absorbed into the circulation of England or would find its way into the coffers of the Bank of England.

"As between bank and bank in Scotland, the system adopted for the regular exchange of their notes is a guarantee against any relative undue issue by separate banking establishments. That system is as follows: Each bank keeps a certain proportion of exchequer bills, which are denominated Edinburgh Exchange exchequer bills, and twice in each week the respective banks meet and retire their notes, when the balance is settled, if the amount be £1,000 or upwards, by exchequer bills, if it be a lesser sum it is settled by a letter of credit on London. This system, which is a most ingenious and

economical mode of settling banking balances, has lately been introduced into Ireland.

"Should any bank have its quota of exchequer bills reduced by this system of exchange, it must purchase bills from the bank holding in excess, and pay the balance by letter of credit on London. Thus, every bank must be prepared twice a week to retire its excess of notes, and must keep funds in Lon'on or that purpose.

"No complaint seems to have arisen in respect to the operation of the Act of 1845 as regulating Irish banking."

On the important question whether the bank should hereafter be allowed to hold a larger amount of silver than is now permitted by the Act, the Committee report as follows:—

"The limitation of the amount of silver bullion which the Bank is entitled to hold under the Act of 1844 has been complained of by many of the witnesses, whether their opinions are favourable or adverse to the other provisions of the Act. Cases are stated in which the export of silver has been made, and may be made in future, the means of rectifying an unfavourable foreign exchange. Such is the opinion of the Governor of the Bank.

"Your lordships will bear in mind that the legal standard of this country is gold, whilst that of the Continent of Europe is silver. In times of deranged foreign exchanges it therefore seems obvious that the export of silver in preference to gold should be encouraged, rather than impeded by any forced legislative restriction. This is the more important, as, from the Mint regulations of the United States, an unfavourable exchange with America is equalized by the remittance of gold; a fact exemplified in the efflux of gold in 1847, when £9,000,000 in gold were withdrawn for export. These consequences are well described in Mr. Cotton's evidence,—

"Do you approve of that clause of the Act which restricts the Bank in the purchase of silver bullion?—I certainly do not. I think the restriction to one-fifth is very inconvenient, and practically in the spring of last year was found so. Merchants from the Pacific, whose returns are very much in silver bullion, found, when it arrived last spring, that there was no market for it here, and that they had to send it over to Paris for returns in bills of exchange, and when they came back there was a difficulty in discounting. The interval lost, which is about six weeks, is a very serious thing to a mercantile house; and there is another evil in it; supposing the amount of bullion held in the issue department to be in the exact proportions allowed by the Act, with one-fifth silver, and supposing that £400,000 of notes go in, taking the same amount of sovereigns out, that immediately alters the proportions, and the Issue Department must necessarily sell silver bullion to keep the proportions right, and thus reduce the circulation another £100,000 to keep up the proportion."

"In expressing their entire concurrence in these opinions, it is scarcely necessary that the Committee should observe that no question of alteration of standard is involved in them; nor do they countenance such an alteration of the law as would render the coined silver of the realm, depreciated as it is compared with the Mint price of silver, available, by tale, in payments beyond a restricted amount."

LETTERS TO A BRANCH MANAGER.

LETTER V.

OVERDRAWN ACCOUNTS.

MY DEAR CHARLES,—In the same letter in which you exclaim against the “burking” of your overdrafts, and other financial atrocities perpetrated upon the business of your branch, you desire to be informed what objection, financial or otherwise, should exist to your customer, Mr. Timms, the grocer, being allowed an overdraft upon his account to the amount of one thousand pounds—the transactions upon the account being £20,000 annually (chargeable with the full 5*s.* per cent. commission), and the overdraft itself being guaranteed by parties fully responsible for the amount; it being obvious, you add, that such an account returns to the bank a gross profit of TEN per cent., viz.:—

Interest on overdraft (say 5 per cent.)	..	£50
Commission on £20,000, at 5 <i>s.</i> per cent.	..	50
		<hr/>
		£100
		<hr/>

I must, at starting, do you the justice to admit that you do not stand alone in your views on this matter. On the contrary, I will admit that “highly operative accounts,” that may be secured by allowing overdrafts upon them, appeal irresistibly to the feelings of branch managers in general. Your views, moreover, are cordially shared by that large section of the public who sometime in their lives find an overdraft a convenience or a necessary, and who appear to have come into the world, and promise to go out of it, with the idea that a bank’s capacities of lending are altogether indefinite, and candidly believe that the refusal of an advance is blindly “throwing business away.”

The ambition to do business—to see the volume of operations upon accounts current swelling to a stupendous total, and to tax this total with a full quarter per cent. commission, and carry the result to the credit of profit and loss, and to one’s own credit as well, is, I admit, a strong temptation, and therefore figures rather frequently amongst what may properly be termed a banker’s sins of commission. Nay, more, Charles, there are directors and chief managers of banks, or there at least have been, in this country, who hold, or have held, what I believe to be erroneous doctrines on this subject, and with very lamentable results, as you and I and others in general know, and their co-proprietors in particular both know and feel. I beseech your patience, therefore,

whilst I endeavour to explain, as briefly as I can, what I conceive to be the nature and operation of overdrawn accounts; and you will not be the less disposed to listen to me, perhaps, when I state, that I once thought with you upon the subject, but have had the most convincing reasons for changing my opinion.

And first, as respects the very common plea founded upon the *safety* of the overdraft. Undoubtedly one of the main considerations with a banker when he makes an advance is the certainty of its repayment. I take it for granted that no one in the possession of his ordinary senses would lend money without this certainty—without a conviction that he would be repaid his loan to the uttermost farthing. But with a banker there is a consideration beyond and above this. The safety of any particular account is one thing, the safety of his bank is quite another; and it is quite possible for a bank not to have an unsafe account on its books, and yet to be in an extremely unsafe position itself.

Now, for a bank to be in a perfectly safe financial position, it should be able at all times to meet the demands that may be made upon it without notice by its depositors, note-holders, and others. If its position is such that in case of any sudden and heavy drain upon its more active liabilities it must depend largely upon its overdrawn accounts to meet that drain, then I do not hesitate to assert that its position is a perilous one.

It is true that the bank may have granted the whole of its overdrafts on the express understanding that they might be *recalled* at any time, and without notice. But to recall an overdrawn account, Charles, and to obtain payment of it, are not exactly synonymous operations. Betwixt the act of recall and the act of payment there always lies an uncertain interval, extending over weeks, months, or years, as the case may be—the interval being determined very much by the use the borrower has made of his overdraft.

If he has accustomed himself to avail himself of it only now and then—to meet an accidental and temporary excess of engagements over his immediate means to meet them—then repayment will be speedy, and very much a matter of course. If he has used it as permanent addition to his floating capital, he must await the result of reducing the more active portion of his business to a smaller compass, and consequently repayment will be a more tardy process than in the former case. But if he has *fixed* it in his trade—in buildings or machinery—in dead stock or book debts, (and which, by the way, as far as my experience extends, is the rule rather than the exception,) then the time of repayment will be altogether indefinite.

You will remind me that there are *the sureties* to fall back upon! Granted. Granted even that the sureties are safe for many times

the amount of their liability. But this in nowise proves their ability to pay the overdraft on demand. I apprehend that no sane person puts his name down as surety for a thousand pounds who has the remotest idea that he will ever have to pay the money. The natural consequence is, that a surety no more thinks of *providing* for such a liability than he does for paying off the National Debt. It is the nature of sureties, therefore, to be uniformly unprepared to meet such liabilities.

Overdrafts of a permanent character, then, are obviously deficient in that first requisite of a banker's resources—viz., immediate convertibility into cash in case of need. An ordinary drain upon a bank whose business was chiefly confined to the discount of legitimate business bills, could be met by simply contracting the volume of its discounts: but you do not necessarily diminish your existing overdrafts a single pound by refusing to grant fresh ones. Or, if the drain were too sudden and heavy to be met by a mere contraction of the discounts of the bank, a portion of its bills on hand might be converted into cash. In the worst of times (October last only excepted) good bills could be re-discounted at a price: but the re-discount of your current account ledger, Charles, is a process which would be surrounded with difficulties in the easiest of times.

And is the privilege of overdrawing a banking account of such advantage to the party possessing the privilege as is commonly believed? Rightly and sparingly used, the privilege is doubtless a valuable one, and has carried many an honest trader through a difficulty that might otherwise have been insurmountable. But for one who so uses the privilege there are many who misuse it, and to their own certain injury in the end.

Take a case for example. Patrick Twist, draper, has enjoyed an uninterrupted over-draft for so many years, as practically to have ceased to regard it as a liability. It has, in process of time, become as much *fixed* in his trade as the £100 with which he boldly started on his own account ten years ago. A fatal ambition to out-draper all Huggleton has brought him a large business, certainly, but it has at the same time swollen his book debts to a formidable amount. Instead of being in a position to clear off his overdraft on demand, therefore, he is at his wits' end to meet his current liabilities. Not improbably, at the time you intimate the desire of your directors that his overdraft be now paid up or heavily reduced, he is on the eve of applying for its further enlargement.

Now, were Twist addicted, at such a crisis, to looking the length of his yard measure before him, he would see the impossibility of gratifying the wishes of your directors within any reasonable period. The amount of his overdraft, and much

more, is sunk in book debts, the collection of which would involve a world of expense, trouble, loss, and delay. His obvious course should therefore be, to call all his creditors together, tell them plainly the position of his affairs, and throw himself upon their forbearance.

But the first impulse in the mind of Mr. Twist is, to screen his difficulties from his sureties. He accordingly puts his "travellers" off till next journey, on various pleas; and if he has any acceptances to meet, he gets them renewed if he can. He thus places himself in sufficient funds to effect such a reduction of his overdraft as may appease the demands of the bank for a time. Thus Mr. Twist accomplishes his First Act in that well-known piece, *The Road to the Gazette*.

He cannot have proceeded very far before he discovers that the reduction of his overdraft has not reduced his liabilities, as a whole, a single shilling. It has simply altered their distribution. His friends, the travellers, begin to turn up again with perplexing punctuality; and if he had difficulty in fencing them off the previous journey, the difficulty is now enhanced fourfold,—for, whilst their demands have doubled in amount, his excuses for non-payment have lost half their force. Christmas is still distant a few months. Twist, therefore, draws upon as many of his debtors as will accept his drafts [and, if sorely pressed, will even draw upon an imaginary debtor of large amount, in the person of his shopboy]. With these bills and a sprinkling of cash, backed by promises of extended orders, payment in full next journey, and certain stereotype fictions touching the badness of trade, and his constantly enlarging stock, Twist struggles to the end of Act Second.

Early in the third the bank is again thundering at his doors, and certain of his renewed acceptances are rapidly approaching maturity. Still faithful to his principle of dealing with his difficulties as they arise, without a thought for the morrow, sanguine as to his own resources, and believing indefinitely in "luck," Twist determines upon a vigorous move. Accordingly, in a circular chiefly remarkable for an ill-regulated use of the pronoun "which," a discerning public is invited to observe the ruinous prices at which Mr. Twist is prepared to sacrifice, without reserve, for ready money, the whole of his unparalleled assortment of spring goods, just arrived, &c., &c. The lovers of cheap bargains of course flock to the shop, and a sum is realised sufficient to enable Twist to tide on, but only towards accumulating difficulties for a few weeks longer.

A heavy creditor, living at a distance, exasperated at last by repeated delays, and becoming apprehensive as to the safety of his debt, issues a writ. This is by far the most formidable diffi-

culty poor Twist has yet had to encounter. A mere traveller he could manage, the bank he could stave off, an acceptance he could renew, but a writ! that is quite another affair. It inspires him with a degree of ignorant terror that haunts his very dreams. By any means, at any sacrifice, it must be got rid of. Money, however, he has none: but, to his inexpressible relief, he finds refuge in a cognovit, with a total ignorance of its nature;—and so terminates the Fourth Act of his career.

The writ has barely been discharged, when the bills drawn by Twist upon his debtors begin to return upon him. The bills were probably accepted on the understanding that *he* was to protect them,—the acceptors agreeing to pay their accounts without reference to the bills at all. His own acceptances, too—further renewals being now denied him—are, for the first time, dishonoured. The bank, taking alarm, becomes urgent; creditors at a distance, not finding their bills taken up by return of post, take alarm also. Thus beset on all sides, an assignment for the general behoof is wrung from him at last. Several of the creditors, however, finding how he has been dealing with his estate, decline coming in under the assignment: and so the affair terminates in bankruptcy and sixpence in the pound.

I will return to the subject in my next. Meanwhile, adieu.

July, 1848.

THOMAS BULLION.

ON THE PREFERABLE MODE OF RAISING ADDITIONAL RAILWAY CAPITAL.

It appears from an analysis of the Parliamentary Return of the amount of "Railway Debentures, Bonds, and Loan Notes outstanding," that the sums repayable on these Securities, during the present year, is £3,437,538, and the amount falling due in 1849 is £4,744,853.

The following are the rates of interest at which these sums were respectively raised, viz.:—

	Payable in 1848.	Payable in 1849.
At Three and a half per cent.	£753,410	£486,567
At Three and three quarters per cent. ...	20,600	30,900
At Four per cent.	1,469,908	2,999,818
At Four and a quarter per cent.	2,000	76,500
At Four and a half per cent.	218,408	343,565
At Four and three quarters per cent. ...	2,900	
At Five per cent.	970,312	807,503
Total Repayable.	<u>£3,437,538</u>	<u>£4,744,853</u>

In the present condition of Railway property it naturally

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becomes a question of great importance how the several companies will provide for their obligations falling due as above, and for the additional capital which they will require for the completion of their works in progress. While Railway Shares, in established dividend-paying lines, can be purchased at rates yielding from *eight to nine per cent.*, it is not probable that the Debentures will be renewed at the average rate of *four and a-half per cent.*, at which they were issued. Accordingly we find that more than one of the companies are taking steps to provide for their liabilities; and it appears to be very desirable for the interests of Railway Proprietors that the plan which may be found most desirable should be generally adopted. The renewal of the loans on debentures can only be obtained at a considerable increase in the rate of interest hitherto paid; and some of the companies have adopted the plan of issuing *Preference Shares*, at a fixed high rate of interest, as a better mode of obtaining the capital necessary to repay their loans. In a recent number of the *Weekly Railway Share List* the Editor has very ably discussed the subject, and from the article explaining the peculiar advantages and defects of the several plans which have hitherto been acted on, we have taken the following particulars.

A large debenture-debt has hitherto, in almost every instance, assisted materially in enhancing the dividend paid upon the share-capital. If, for instance, a Railway Company has had a productive capital of £6,000,000, of which £2,000,000 has been raised at £4 per cent. per annum on loan, and £4,000,000 by issue of shares, and has earned a profit upon the whole £6,000,000, at the rate of £6 per cent., the proportionate rates paid to each description of capital would have been as follows:—

Loan-Capital ..	£2,000,000, at 4 per cent. interest	£ 80,000
Share-Capital..	4,000,000, at 7 per cent. dividend	280,000
Total Capital..	£6,000,000, net earning, at 6 per cent.	<u>£360,000</u>

Thus, with the assistance of a loan-capital, amounting to one-third of the productive outlay, and borrowed at 4 per cent., a Railway Company, with a net earning upon the whole capital employed of 6 per cent. only, is enabled to pay a dividend at the rate of 7 per cent.

Railway loans have been contracted at short and irregular dates; at the expiration of which, the mortgagee or debenture holder has, of course, the power of enforcing payment; and it follows, therefore, that each year brings with it a certain liability on this account. If, at the expiration of the period for which the debenture is given, money is worth about the same rate as that at which the loan was originally contracted, there can be little

difficulty in the renewal of it; and, in a financial point of view, the condition of the company is in no way affected by engagements of this nature. But if money should be of more value; if, as is now generally the case, no large amounts can be raised on debenture at maximum rates; and if the non-guaranteed shares of the company are at a discount in the market: money can only be raised by the issue of shares at a discount, assimilating to that of the present market value, or by issue of guaranteed stocks, securing to the proprietors a certain rate of dividend payable in preference to all non-guaranteed stocks previously issued. The effect of this alternative upon the financial condition of a Railway Company must be obvious. If, for instance, as in the case already put, the loan-capital, borrowed at 4 per cent., is replaced by a perpetually guaranteed stock, at 6 per cent., the effect upon the dividend would be as follows:—

Guaranteed Capital	£2,000,000, at 6 per cent.	£120,000
Share Capital	.... 4,000,000, at 6 per cent.	240,000
Total Capital ..	£6,000,000, net earning at 6 per cent. ..	£360,000

If the loan capital, at 4 per cent., should be replaced by perpetually guaranteed stocks, at 8 per cent., the following would be the result:—

Guaranteed Capital	£2,000,000, at 8 per cent.	£160,000
Share Capital	.... 4,000,000, at 5 per cent.	200,000
Total Capital ..	£6,000,000, net earning at 6 per cent.	£360,000

Every one per cent., therefore, paid in addition upon the guaranteed capital, decreases the dividend upon the shares at the rate of half per cent., provided the net earning remains the same.

This illustration will, in some measure, explain the necessity for the late issues of 6 per cent. preference stocks by various companies, and of the effect upon their financial position. The additional amount of guaranteed capital thus raised during the late monetary pressure has been insignificant in comparison with the total amount employed in railway undertakings; but the necessity for future creations, of a similar character, cannot fail to be apprehended with anxiety, and will exist in proportion to the extent of the engagements to be met, and the consequent demand for money for railway purposes.

It will be seen that the total amount falling due is nearly £5,000,000, borrowed at something less than an average of 4½ per cent. per annum; and assuming (placing the matter in the most unfavourable light) that the capital cannot be replaced at less than 2 per cent. per annum advance upon the rate at which

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it was originally borrowed, the additional annual charge upon the earnings of the whole of the companies referred to, would be, in round numbers, £100,000. This alone, or even when added to the increased burdens consequent upon similar renewals during the present and last years, is not sufficient to cause any serious apprehension as to the general effect upon railway property. If, in the course of a year or two, there should be an improvement in the money-market, which would admit of a renewal of loans at something approaching original rates, the effect of the present creations of guaranteed stock, for the replacement of those now falling due, would be scarcely felt.

The chief objection to the mode now adopted for the replacement of loans is, evidently, that a *perpetual debt*, at a high rate, is substituted for a temporary one at a low rate; and it may, perhaps, be worthy of consideration, whether it would not be desirable to create shares to meet present emergencies, which, whatever the guaranteed rate of interest they may bear in order to keep them above par in the market, should be compulsorily converted, or paid off at par, within a certain fixed period. The effect of this would be, in all probability, that the existing debt, contracted at low rates would, after the lapse of a few years, be renewed in some shape or other at similar rates; and the profits of original, or non-guaranteed shareholders, would not be permanently absorbed in order that a gap might be stopped during a few years of difficulty.

It is possible that, in the present state of the market, very little money could be raised upon shares issued by the best companies at a guarantee of 6 per cent. for five years: but if a 6 per cent. guarantee of that duration would not produce par-value in the market, 7 or 8 per cent. would; and it would be unquestionably better for the general proprietary that some additional sacrifice should be made for a short period, than that their property should be perpetually loaded with a weight which can never be shaken off. It is impossible that the existing drain of money for railway purposes can last many years; and it is equally impossible that a good guaranteed railway stock should not be worth more than par. In a few years a guaranteed stock, which now pays the purchaser 6 per cent., will, very probably, be readily purchased to pay 4½ per cent.; and if perpetual guarantees must be given, it would be well to wait until that time arrives.

The following are the amounts of Loans, &c. repayable by the several Railway Companies undermentioned, during the years 1848 and 1849:—

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Name of Company.	Due in 1848.	Due in 1849.
Aberdeen	—	£15,222
Arbroath and Forfar	£13,400	9,900
Caledonian	—	102,500
Chester and Holyhead	2,000	72,800
Cockermouth and Workington	—	4,400
Dublin and Drogheda	4,414	17,014
East Lancashire	—	52,700
Eastern Counties	10,000	165,669
Do. Northern and Eastern	110,100	56,800
Eastern Union	—	12,500
Edinburgh and Glasgow	120,050	190,175
Edinburgh, Leith, and Granton	—	39,500
Glasgow, Barrhead, and Neilston Direct	—	8,000
Glasgow, Paisley, and Greenock	64,505	49,555
Great Western	519,700	487,282
Kendal and Windermere	—	7,420
Lancashire and Yorkshire	51,500	369,052
Lancaster and Carlisle	20,000	2,000
Llanelly	7,900	1,400
London and Blackwall	29,300	16,700
London, Brighton, and South Coast	498,138	80,900
London and South Western	16,800	154,200
London and North Western	933,417	1,164,850
Maryport and Carlisle	29,220	73,110
Midland	186,051	635,380
Newcastle and North Shields	17,200	—
Newcastle and Carlisle	147,100	181,467
Norfolk	25,000	—
North Union	115,686	56,010
South Devon	2,000	252,200
South Eastern	201,137	201,137
Stockton and Hartlepool	25,000	23,000
Taff Vale	17,250	5,160
Whitehaven Junction	—	2,700
York and North Midland	241,000	75,000
York and Newcastle	29,670	73,950
Do. Newcastle and North Shields	—	85,200
Total amounts repayable	£3,437,538	£4,744,853

THE EXCHANGES WITH INDIA.

THE important questions connected with this subject are likely to be brought under the notice of Parliament. The *Daily News*, which has on several occasions pointed out the unsatisfactory condition of the state of the Exchanges with India—or rather of the manner in which they are operated upon—gives some useful information on the subject that is confirmed by the recent advices from India, which mention that the evils attending the existing system of advances by the Indian Government, on the hypothecation of produce shipped to England, was engaging

the serious attention of the principal merchants of Calcutta. They had presented a memorial on the subject to the Governor-General, wherein they enter fully into all the baneful effects produced by the present system. The memorialists mention that though the arguments they adduce, showing the evil influence of the system, have been before used, yet the late commercial convulsion had given to some of them an unusual degree of prominence. They observe, that the system is contrary to the spirit of the Act of William IV., suspending the company's trading charter; that the system of giving facilities alike to the prudent and imprudent, tends to stimulate over-trading and foster wild speculation, whilst it also, in times of severe pressure, dooms to disappointment those who place reliance on it. That a system of hypothecation which takes no cognizance of the first cost of produce, however high or low rates of freight or exchange, amount of export or of stock at the market of consumption, is calculated to lead to practical inconveniences to general trade and the interest of government. That as to the assertion that the present system benefits the native merchant, the European indigo, sugar, or silk producer, can be true only when the proportion of advance is larger, or the rate of exchange lower, than a more natural state of things would warrant. That a rate of exchange, dependent mainly on the political exigencies of the state, is uncertain and beyond the reach of mercantile calculation, but also produces uncertainty as regards the cost of Indian produce, thus deterring the more prudent exporter of British and European productions from entering on the trade. That the combined mode of raising funds required in England, by bills on England, secured by the hypothecation of produce, and partly by sale of the company's drafts on India, has been attended by more frequent convulsions of trade in India, with more serious failures, than have occurred in any other portion of the British dominions.

To show that the present system is inadequate to attain the end in view—that of providing the amount required to be placed annually in England, the following table of the proportion raised in India and in England, during the past five years, is given.—

By sale in London of Bills on the Indian Treasuries.			Raised in India by the Hypothecation of Produce.		
Year ending					
30th April, 1843	..	£1,122,093	..	..	£359,987
„ 1844	..	2,802,568	..	..	212,277
„ 1845	..	2,572,017	..	..	275,686
„ 1846	..	2,982,799	..	..	738,184
„ 1847	..	3,115,077	..	..	743,294
7 mos. ending					
30th Nov., 1847	..	1,214,043	..	..	190,684
2 mos. ending					
31st Jan., 1848	..	125,603	..	{ at 2s. at 1s. 10½d.	1,152 10,479

In lieu of the present system, the memorialists desire that the plan of selling bills in England on the Indian Treasuries may be exclusively adopted. In support of this plan, they state that the partial suspension of the hypothecation system in the commercial year 1846-7 goes well nigh to demonstrate the practicability of placing any amount of funds required in England by the sale of company's bills alone, and that were capitalists assured of the discontinuance of the old system, a larger sum than has yet been required might generally be realized in England by a well arranged system of sale of such bills on India. It is obvious that, by the proposed plan, a body of Exchange dealers for India would be gradually formed, and that such a system would tend alike to prevent rash speculation on the one hand, and undue depression on the other—that it would attract capital to India, and give to mercantile character its proper influence.

Some very interesting facts connected with the system of hypothecating goods from India will be found in the evidence of Mr. Charles Turner, before the Committee on Commercial Distresses, which is given in another part of our present Number.

FACTS AND SUGGESTIONS RESPECTING SAVINGS' BANKS.

In anticipation of the Bill for the better regulation of Savings' Banks, which it is understood Government are about to bring forward, the following facts and suggestions are submitted for consideration :—

That the amount of money deposited in Savings' Banks, both by individuals and by charitable and friendly societies, has, for some years past, increased annually at an average rate far exceeding one million ;—the increase in the year ended 20th November, 1844, was nearly two millions and a half.

That as those classes of society, for whose exclusive use and benefit the Savings' Banks and friendly societies were intended, have not been in a condition to justify the supposition that so large an increase in the amount of liabilities has arisen from deposits made by them, it is evident that, in the case of the Savings' Banks at least, such increase must have arisen from deposits made by other classes.

That the partial alteration in the Savings' Bank laws, effected by the act of 1844, had little or no effect in changing the previous state of the Savings' Banks until last year, when the withdrawals by the depositors so far exceeded the payments made by them as to require very large sales of the Savings' Bank stock by the National Debt

Commissioners, to meet those withdrawals, at prices considerably lower than those at which such stock was purchased; thereby occasioning a considerable reduction in the amount of the Savings' Bank capital, and a corresponding deficiency in the value of the balance.

That, in addition to the above circumstances, the discoveries recently brought to light of the grossest frauds and abuses in some of the Savings' Banks, particularly in Ireland, demand an instant searching inquiry into the internal management and regulations of all those institutions, and an entire revision of the Savings' Bank laws.

That with a view to confine the benefits of the Savings' Banks to the proper objects, which has not been effected, under the present system, by means of the declaration now required to be signed by the depositors, some stringent regulation as to the classes of persons to be admitted as depositors should be drawn up by the National Debt Commissioners, and be embodied in the rules of each Savings' Bank.

That while parliament was engaged in 1844 in considering the Savings' Bank Act, passed during the session of that year, an attempt was made in a certain "Statement of facts," and in some resolutions founded thereon, purporting to be those of a special general meeting of the trustees and managers of the Provident Institution, established at St. Martin's Place, Charing Cross, held on the 23rd of May, 1844, to show that the difference or loss in the case of the interest was principally "if not altogether occasioned in the exercise by the National Debt Commissioners, (particularly from February, 1833, to July, 1834,) of certain powers over the moneys and securities held by them in trust for Savings' Banks under the 9 Geo. IV., cap. 92 (28th July, 1828), and 3 Will. IV., cap. 14 (10th June, 1833.)"

That some difference or loss may have been occasioned by the transpositions of stock generally, or by those effected from February, 1833, to July, 1834, especially, is not unlikely, but that the principal or total difference or loss is not to be attributed to the particular transpositions alluded to, or to any subsequent transpositions or proceedings of the National Debt Commissioners is certain, because the difference or loss from August, 1817, to 20th November, 1827, the year preceding the date of the act of 1828, was £588,216 13 8
Averaging annually 58,821 13 4

And because the difference or loss from 6th August, 1817, to 20th November, 1832, the

year preceding the transpositions particularly referred to, was	£1,071,327	10	1
But allowing for interest due on exchequer bills, amounting to	88,733	12	6
Was	982,593	17	7
Averaging annually	£ 65,506	5	2

That without reference to other considerations arising out of the proceedings of the National Debt Commissioners with the Savings' Banks' funds, which have been already frequently alluded to in parliament, but simply with a view to prevent, on any future occasion of legislating for the Savings' Banks, a similar objection to that urged in the before-mentioned "Statement of facts" and resolutions, against the Savings' Banks' Act of 1844—on the ground that it was "not just to visit upon the depositors a loss sustained in consequence of the National Debt Commissioners having exercised powers without due regard to the objects and purposes for which those powers were originally conferred;"—the clauses of the acts 9 Geo. IV., cap. 92 (28th July, 1828), and 3 Will. IV., cap. 14 (10th June, 1833), conferring those powers, be forthwith repealed.

That the system of raising a fund for the payment of the expenses of management, by a per centage on the amount invested with the National Debt Commissioners, and of leaving it to the discretion of the trustees to pay the depositors what rate of interest they please under a certain maximum sum, is unsound in principle, as regards institutions of the charitable nature of Savings' Banks, as it tends to originate and maintain a species of competition between such institutions, especially in London, and to lead to the adoption, on the part of persons directly and indirectly interested in such fund, of rules and restrictions which may not be inconvenient to the richer classes, but may have the effect of discouraging the poorer classes of depositors.

That in order to amend this objectionable system, the same rate of interest should be paid to the depositors in all the Savings' Banks, and the same rate of interest being paid to the trustees as is allowed by them to the depositors, the expenses of management should be defrayed by the Lords of the Treasury, subject to their approval previously as to the amount, out of a sum to be voted annually by Parliament for the purpose.

That in consideration of Parliament undertaking the payment in this way of the expenses of management, the accumulated property, of every description whatever, of the trustees of Savings' Banks should be vested in the Lords of the Treasury,

and the amount of those depositors' accounts which have not been claimed for ten years, should be discharged from the general account of the trustees of each Savings' Bank with the National Debt Commissioners, and carried to a separate account, not bearing interest;—in the same manner as is done with reference to unclaimed stock and dividends at the Bank of England.

That, under the Act 5th and 6th Vict., cap. 71, (30th July, 1842,) for establishing military Savings' Banks, one uniform code of rules and regulations, with forms of book-keeping and tables for calculating interest, has been drawn up by the Secretary-at-War for all the regiments in Her Majesty's service: and that, if a similar plan were adopted by the National Debt Commissioners with reference to the civil Savings' Banks, not only would the expense of fees to the Commissioners' barrister, which have been so much complained of by the paid officers of the Savings' Banks, be saved, but, what is of far greater importance, uniformity in all the transactions and proceedings of the Savings' Banks, would be obtained.

That although the Savings' Banks present the anomalous character of institutions conducted by private individuals, at the cost of the public, and great opposition has been raised on the part of the paid officers of some of them to the power given to the Barrister of the National Debt Commissioners to inspect the books of the Savings' Banks, on reference being made to him in the cases of disputes between the trustees and the depositors—such power having been stated to be “quite uncalled for, and in many respects objectionable;” it is expedient that some public officer should, at any time, have the power to visit the Savings' Banks, and inspect the books, not only for the purpose of deciding disputes, but also to see that the Acts of Parliament and the directions of the National Debt Commissioners are duly carried out, and that those abuses which have been practised in some of them are not continued.

That as a Savings' Bank Loan Society has been in operation at Liverpool for some years, with great advantage to the depositors and convenience to the public, there can be no reason why the loan system should not be adopted by other Savings' Banks, and carried on with equal advantage and convenience to the parties concerned.

That as a very large portion of the aggregate amount due to depositors in Savings' Banks is held by persons whose accounts exceed £120, some arrangement might be effected with them for transfer into their names, from the Stocks standing in the names of the National Debt Commissioners, of such amounts as may be considered equivalent to £100 of each of such accounts.

That much of the abuse and irregularity which have been

practised in Savings' Banks since the passing of the Act of 1844, might have been prevented by that Act, had not the original intentions of the Government, when the bill upon which that Act was founded was brought into the House of Commons, been thwarted by a species of political agitation got up and maintained on the ground that the previous Government had, during the chancellorship of Lord Monteagle, then Mr. Spring Rice, tampered with the Savings' Bank funds; a proceeding which could be neither denied nor justified, but which had really nothing to do with the principal objects of the proposed measure.

Banking and Commercial Law.

DEFEAT OF THE BILL-SWINDLERS.

THE following case, tried in the Court of Exchequer, London, on the 27th June last, before the Lord Chief Baron and a Common Jury, is so important, and contains so much information relative to the practices of the bill-swindlers, whose nefarious proceedings we have for some time past exposed in our pages, that we give the Report of it in full. Our readers will be glad to observe that the attempts of the parties to use the law in support of their atrocious frauds have at length received a decisive check.

GADDERER v. HAIME.

Mr. Humfrey and Mr. Mellor conducted the case for the plaintiff, and Mr. Montague Chambers, with Mr. Dowdeswell, appeared for the defendant.

This was an action against the defendant, the Rev. Charles Haime, a dissenting minister, at Pillgweully, near Newport in Monmouthshire, upon his acceptance for the sum of £200.

The defendant put a vast number of pleas on the record; among others, to the effect that he did not accept, that he did not endorse, that his acceptance had been obtained by fraud, and that he had not received any consideration for the bill.

Mr. Humfrey, in stating the case, said, the sum claimed by the plaintiff was £200, upon the defendant's bill at three months' date from the 20th of January, 1847. The defendant was a clergyman at Pillgweully, and being in want of a sum of money for a particular purpose, made an application to a person of the name of Miles, through an agent of that gentleman, for assistance by the way of an advance upon his acceptance. This Miles consented to do upon the defendant sending him his acceptance at three months, bearing the endorsement of his sons also. It appeared that Miles had been in the habit of discounting to a considerable amount every year, having a large sum of money at his banker's which was unemployed. It was agreed between the parties that £10 should be charged for the discount; and it was then asked of the present plaintiff what sum he would give for the bill. He said he must have a liberal sum for doing it, and eventually he gave £167 10s., making a deduction of £22 10s. for the three months. This at the first glance might appear to be a large amount, but the day had arrived when money, like all

other commodities, was worth just so much as it would fetch—just as much as any person could be found to give for it. Therefore, in the present instance, the value of the money would appear to have been that which the parties had deducted. The plaintiff handed over the money for the bill—namely, £167 10s. for the defendant. These facts he should prove, and having done so, he should look for the verdict of the jury.

Thomas Clark.—"I have seen the defendant and know his handwriting. This acceptance is in his handwriting, and the endorsements are by the sons."

Cross-examined.—"I saw the defendant on the 22nd of June, 1847. I went down to Pillgweully to get the handwriting of the defendant and his son. The former is a Wesleyan minister with white hair—an old man. I was sent down for the purpose by Mr. E. Lewis, the attorney for the plaintiff. I called upon two old ladies, and told them that I had a sick friend for whom I wanted a lodging, where he could receive frequent spiritual consolation from a minister. They said the defendant was devoted to sick persons; and would, they were sure, most willingly come and perform what was wanted. Those ladies sent for the defendant, and when he came, as I wanted to see him write his name, I asked him to give me his address, so that I might send to him. This was to enable me to identify his writing. The old gentleman wrote his address, and I was to send for him when my sick friend came. I brought that bit of paper, with his writing on it, with me up to London. Fearing the defendant might ask me to write the name, I put my arm into a sling, and pretended that it was broken. I then wanted to get the writing of the son Jabez, and having ascertained that he was a ship-chandler, I called to ask him about some ship-biscuits, and told him that I wanted some for a vessel about to sail. Jabez said he had not any, and so I was put to my shifts. However, I went away, saying I wanted other things, and would call again. I left, and having met with a young man of the name of Francis, we went back and then said we wanted a sample of pickles and a small quantity of coffee for a Captain Williams. As I wanted to have the bill in the handwriting of Jabez Haime, I inquired the hour at which his shopmen had their dinner, lest, if they had been serving when I went, one of them might not only serve us, but also make out the bill and receipt for the money. That of course would not have answered my purpose. We went, therefore, when the men were at their dinner. We got a bottle of pickles and half-a-pound of coffee, and paid for them; as we required a bill and receipt, Jabez Haime wrote both. Thus my object was accomplished. Lest Jabez should suspect anything, I bought two ounces of tobacco in addition. It was at my suggestion that the bill was made out in the name of Captain Williams. I am a process-server to attorneys, but not to bailiffs; and was formerly a saddler and harness-maker at Portsmouth with my father. After that, I was 14 or 15 years a member of the theatrical profession,—that was no disgrace—and played all parts. I cannot see what this has to do with the present case. I left the stage because I became dark with one eye and deaf with one ear, and therefore the stage did not suit my book. (Laughter.) I do not know Schiers nor Sidersf. Tucker I have heard of, and I have seen Snell here to-day. Miles I do not know. If I see a person with any one I know, I always look at him, and then ask my friend who he is, because the time might arrive when I might "want him." (Loud laughter.)

Mr. W. Nangle.—"I am clerk to the plaintiff's attorney. I have seen Lomas write, and this endorsement is his writing. This is also Schiers'; this, too, is John Miles' handwriting."

Cross-examined.—"I have seen Lomas on several occasions in Oxford-street and in Frith-street—at Garrard's, the American stores, in Oxford-street. It is not a vulgar or a common house. I met him there by accident. I knew his name was Lomas by hearing another person address him by that name. This was four or five months since. The next time I saw him was within a

few days of the present time, at my employer's office in Frith-street. I don't know whether he came there accidentally. I then saw him write three letters, but he did not ask me to look at them. I looked over him and read part of the letters. I had not his permission to do so. I saw his name as I stood by his side. I read some portion of the letters. I have no "master," but an "employer." I cannot say how long Lomas was with my employer. The "name" made a deep impression on me, and I shall never erase it from my memory. I saw him a third time some months since, but I cannot say where. I have no idea; but I have a certain conviction that I have seen him three times. I know several Schiers's, but I don't know who this one is. I have seen him on several occasions, and I know nothing of him more than that I believe he does something in discounting bills. I have done business with him. I wish to speak the truth and therefore hesitate"—

The Lord Chief Baron.—"And truth is always uppermost."

Witness.—"But it wants consideration. (Loud laughter.) I have asked him some little trifling kindness, such as asking him to get me an admission into the theatres where he has influence."

The Lord Chief Baron.—"Is that what you call business, then?"

Witness.—"I don't know what your Lordship may call it, but I call it little trifling business. It was for the Lyceum. I met him in the street, but I assume he has a home, though I don't know where. I know that he is a discounteer of bills, from his coming, like many others whose names I know not, upon that business. I have seen him write on bills and notes. I know Panton-square, but I don't know that I have been to No. 9. I saw Schiers at that house then. It is a bill-discounting office. I don't think I have seen the plaintiff there. It was months ago that I went there. I saw Miles there, but not Snell. How am I to tell that Snell is Schiers' clerk? I never saw him acting in that capacity. I know nothing about him. I have seen Snell with the plaintiff. That was when I got an order to go to the theatre. They were in the box entrance as I went in. I have never seen Miles with the plaintiff. I don't know Cobb. I cannot say that his name is on the door in Panton-square. I went there with a Mr. Johnson to get a bill discounted. This was two years ago. I did not take him to the house. The bill was not cashed for him. I have since gone there several times and have always asked for Miles. The bill was not satisfactory, and that was the reason it was not discounted. I know the plaintiff certainly. Miles I believe to be a man of respectable connexions. I have been an attorney; but having lost a large fortune, I became an attorney's clerk. I have lost a large fortune, and that is more than many in this court have. Schiers is about 5 feet 7 inches; his hair is not black nor white, but grey; he is not tall, nor is he short; he is not stout nor is he thin. (Laughter.) His whiskers are neither black nor white, nor grey, nor sandy, but they are like other whiskers. (Renewed laughter.) He is neither stout nor thin, nor is he a young man. (Loud laughter.) Lomas is something of the same sort, and both dress respectably. Tucker—who is Mr. Tucker. (A laugh.) I don't know him, unless he be the Tucker who is concerned for Sir Robert Peel and those people. I do not know this handwriting, nor this, nor this. I never saw this before, nor this, nor this; and I positively swear I never saw it. I will not swear that it is or is not Lomas' handwriting. The body of a letter, with Lomas, as with all other persons, is written much finer than the signature. On looking at the signature to this letter I should say it was in his handwriting, and this, and this, although written in a different way to the others. I cannot say anything about this one, though the hand which wrote "James Lomas," might have written this character of writing. But I don't say I believe whether it is or is not his handwriting. I think I might know the handwriting of Miles.

The bill was then put in and read.

Joseph William Snell.—"I am a cousin to the plaintiff, and I know Miles, who has an office in Panton-square. In March, 1847, I was at Miles' office when Schiers was there. Miles asked me to get a cheque changed at the bankers'. I did so, and afterwards saw Miles give that money, with some other sum, to Schiers, who then endorsed the bill."

Cross-examined.—"I have known the plaintiff from my youth. I cannot say how often he has been a bankrupt and insolvent, though I know he has been once or twice the former, and several times the latter. I knew him when he was in the Queen's Prison. I was there at the same time, namely, 10 years ago. I do not recollect every time he was there. I don't know that it was five or six times. If he was there in 1844 I don't know it, for I was then at Van Diemen's Land. The plaintiff has lodged 23 years in Craven-street. When I got out of prison I left him there. I am not doing anything now, but am living with my daughter. Before that I was employed by the plaintiff in his discounting transactions. I used, too, to call most days at Miles', in Panton-square. Miles' name and Cobb's name were on the door in Panton-square. The plaintiff called there often, but I know that he did not pay the rent of that house. I have, on the contrary, seen Miles pay the rent weekly. I used to make inquiries as to the responsibility of parties whose names were on the bills which he was applied to to discount, and according to my report he "did" the bill or not. I did not make any inquiries of Thomas Holbrooke Coyle, or of Gardiner for the plaintiff. I have an action now for a bill which I discounted, on Monkhouse and Childs, for the plaintiff. That bill is £186. I have not put my name to bills for the plaintiff, but I have as the drawer. One was on Dr. Tarleton. There were four on that gentleman, all of which I drew. The plaintiff, who was the holder of them, has brought actions upon them; and on the one which has been tried he lost the action. The defence was fraud. I negotiated for the doctor with Coyle. I don't know Gardiner. I received £100, and gave it to Coyle, and he was to send that to the doctor, and on the receipt of the acknowledgment from him the remainder was to be sent. Then the plaintiff gave me the remainder, less deductions at the rate of 60 per cent. per annum. That was £15 for the three months per £100. The bill was for £300. I gave £250 to Thomas Coyle at Garraway's coffee-house. The plaintiff gave me the money for this purpose. At that time I was living in Rockingham-row. I was not concerned in the transaction of "Potey v. Glossop." Miss Potey lives in the same house in Craven-street, but I have never heard them speak about that matter. I do not know Sidserf, nor Lomas. This is Miles' schedule."

Re-examined.—"I should think that the plaintiff has lived in Mrs Potey's house 24 years. He has discounted to a considerable amount for years. The plaintiff had a private house at Streatham, and his wife had a large income, £1,250 per annum, and a large quantity of plate."

By Mr. Chambers.—"This is my handwriting."

Mr. Beardmore, from the London and Westminster Bank, proved the payment of the plaintiff's cheque for £100, on the 27th of March last year. This is his passbook.

Cross-examined.—"I think we have not had any account with the plaintiff for more than 12 months."

A clerk from the Bank of England produced a £50 note, which had been paid by the Bank, on which there was the endorsement of "Rich and Schiers."

Snell, recalled.—"This endorsement is in the handwriting of Schiers."

This was the case for the plaintiff.

Mr. M. Chambers then addressed the jury on behalf of the defendant, and said that he was prepared to show that this was one of the grossest cases of fraud that had ever been attempted to be practised in this or any other country. The first question in the case would be whether this bill had been

concocted in fraud, whether the acceptance had been obtained by fraud, and whether the present plaintiff was a party to a conspiracy to defraud persons by pretending to discount bills for which they never gave even so much as one farthing. It was, therefore, important that the jury should say whether the plaintiff had been a party to the fraud which he was about to open to their notice. They would also have to say whether there was such a person in London who really bore the name of James Lomas, or whether that was not a fictitious person; and it would likewise fall within their province to consider whether this had not been a fraudulent attempt to defraud the rev. gentleman for whom he had the honor to appear. How had it happened that there had not been some one called to prove the identity of James Lomas?

The *Lord Chief Baron* asked who Lomas was? Was there no one who knew that person and his handwriting prior to this particular transaction. If this were in a criminal court he should not receive the evidence which had been given in this case as evidence of the handwriting, especially when it was found in how fraudulent a manner the knowledge of the handwriting had been obtained in this matter. What reliance could be placed on the evidence of the man Clark, who had been called as the first witness upon this point?

Mr. Chambers.—Just so. Who could believe that witness? Where was Schier, too? He was not dead. The history of the parties was not a little singular. It appeared that in 1844, and part of 1843, the plaintiff, Schier, and a man named Sidserf, were all in confinement in the Queen's Bench Prison. The two last persons turned out to be persons of some cleverness, and it would seem that, in consequence of what passed between them while in prison, on their release therefrom they formed an establishment for discounting bills at the meetings which were held at the Bull Inn, in Bishopsgate Street or Aldgate; and, in the course of 1846, offices were taken at 9, Panton Square, and accordingly the names of Miles and of Cobb were put upon the door. Miles, the plaintiff, and Schiers made frequent, if not constant, appearance there, but as for Cobb and Lomas, there were no such persons—they were only shadows. He should show, that although these offices had been taken by Miles, yet that the plaintiff, Gadderer, was the real party who had paid the rent. The plaintiff, he should prove, had been a bankrupt and an insolvent many times, defrauding his creditors to the extent of £50,000 or £60,000. He called it a fraud, because on no occasion had his estate paid a single farthing. He would now proceed to describe the system which these people had adopted for the purpose of carrying out their fraudulent attempts, and to which the present defendant, as well as many other gentlemen of his sacred calling, had fallen the victims. It signified not who the parties were who might fall within their clutches; they were prepared to meet them in every way; they would assume any character, and in the present instance the character assumed was that of religion—for in the letters which the presumed "James Lomas" had written to the defendant, he had made use of the most sacred names and pious expressions. The first step taken by these persons was to insert the following advertisement in the *Watchman*, a religious paper of considerable circulation amongst the dissenting body. It was couched in these captivating terms:—

"Seven thousand pounds for investment.—The advertiser (a member of the Wesleyan Connexion) having the control of capital to the above amount, is willing to make advances in suitable sums, where the same may be required for the use of chapels, &c. Likewise, respectable parties requiring pecuniary accommodation for their own use, the advertiser will have no objection to assist with an amount of capital in proportion to the means relied on for refunding. Applications may be made, in confidence, by letter addressed to Mr. James Lomas, 33, Mount Street, Lambeth, London."

Now, it would be found that there was no such person as Lomas at No. 33,

Mount Street, for that house turned out to be the "post-office," which was kept by a person of a very different name. The defendant, being anxious to erect a number of cottages in his parish, wished to raise a sum of money to enable him to carry out that object, was caught by this advertisement, and accordingly wrote to "James Lomas" to borrow the sum of £200, and in the end that person obtained two bills, each for that amount, from him—but for which the defendant never received one farthing. But he must first call their attention to the letter which "James Lomas" had written in answer to the defendant's original application for the money. The letter ran in these attractive terms:—

"33, Mount Street, Lambeth, London, Jan. 20, 1847.

"MY DEAR SIR,—With much pleasure I now reply to yours of the 14th inst., and should have done so before, but the many applications I have received to my advertisement have prevented me. However, I now feel happy in saying that it is in my power to accommodate you, and more particularly as by so doing I am rendering a service to one of Christ's ministers. Therefore, in order to occasion you as little delay as possible in complying with your wish, I enclose you at once a draft for your acceptance for £200, together with an agreement drawn up, I trust on liberal and just principles, such as I have no doubt will meet your approval, and, if agreeable, I should like for your son or sons to endorse their names on the back of the draft underneath my own, as already mentioned by you; not, my dear sir, that I require this to be done from any fear or doubt of your responsibility, or ability to repay me, but for my satisfaction, that (in the event of your sons' lives being spared after it may please our Heavenly Father to call you to himself) I may have living witnesses to state that my claim will be right, and, I hope, strictly just. The rate of interest I usually charge is as follows:—Upon our chapels, $4\frac{1}{2}$ per cent. per annum; on freehold and approved personal security, 5 per cent. per annum; but I shall only charge you at the rate of $4\frac{1}{2}$ per cent. per annum, feeling confident that the capital which you require will be quite as safe upon your personal security as it would be upon freehold property, knowing that you would not ask for a loan if you had the least doubt as to your being eventually in a position to repay the same. Indeed, I should be very sorry to form a different opinion of any of our ministers, much more of one who has laboured for the cause of Methodism the years you already have. The reason I have drawn upon you for a short date is on account of the interest upon the capital I have under my control being required to be paid quarterly; therefore, I will renew for you from time to time, according to my agreement, or hold the same bill over as you may advise. You have not stated for what period you are likely to require the accommodation; I have, therefore, mentioned five years, giving you the option of repaying the same, or any portion thereof, at your convenience. Should there be any alteration you may wish for in the agreement, both in regard to the time specified or otherwise, I will make it by your forwarding it to me with the bill, and I will return the same to you by post when I remit you the money, which I will, with your permission, through the banking-house of Messrs. Cocks and Biddulph, London, who will advise their agents, Messrs. Williams and Son, of Newport, to hand you the amount. I think this will be the safest course to adopt. The money I shall be able to forward you on Friday, that is, provided you can make it convenient to return me the enclosed accepted and endorsed per return of post. I must now conclude, thanking you for your kind and fatherly wishes, and that it may please the Almighty to spare your valuable life for many years to come for still further usefulness.

"I now remain, my dear Sir, yours, &c.,

"To the Rev. Charles Haime.

"JAMES LOMAS.

"P. S. Please to accept the enclosed draught according to copy, as I purpose eventually to lodge the whole of my securities in the bankers', for safety."

The defendant, in the full belief as to the truth and sincerity of this letter, accepted the bill and forwarded it to Lomas. But one bill, it appeared, was not sufficient to satisfy the rapacity of these people, for in a few days the defendant received another letter, inclosing another bill, which Lomas required to be accepted, as there was an irregularity in the defendant having endorsed the former bill. This second letter ran thus :—

"33, Mount-street, Lambeth, London, Jan. 25, 1847.

"My dear Sir,—I am sorry I was not in town in time on Friday to reply to yours of the 21st inst. by that night's post. My attendance was unexpectedly required at Kingston on Thursday to meet the trustees of one of our chapels, who are desirous to borrow a small capital to replace a sum that is about to be called in ; and as such, I am applied to in order to advance the required amount ; and having been detained longer on the business than I expected, I did not reach London time enough to answer your last per return post. I likewise refrained from writing you on Saturday, not wishing that my letter should reach you on the Sabbath, more especially as it relates to business matters. I perceive, my dear Sir, you have endorsed your name on the back of the bill bearing your acceptance, and as this is irregular, and quite unnecessary, I have enclosed another bill for your acceptance, which you will please only to accept, and not to endorse, for it is only requisite your sons should do so underneath my name, exactly in every respect the same as the last, with the exception of your name on the back of the bill. I am truly sorry and disappointed for this delay in forwarding you the money, and sincerely hope it will not put you to any inconvenience, for on Wednesday, on receipt of the enclosed, I will remit you the money through the same source as I before proposed. Trusting you will not attribute any unnecessary neglect or delay to me, or think I am over particular, I once more beg to remain (wishing you and your family every blessing),

"My dear Sir, yours respectfully,

"Rev. C. Haime."

"JAMES LOMAS.

This second bill was accepted and forwarded by the defendant to Lomas. He was in a position to prove not only that there was no such individual as "James Lomas," but that these letters were written by a man of the name of Tucker, one of the confederates with the plaintiff in this transaction. There was no such person as "James Lomas," and there was no one who could give any account of such a person. Then, these bills had been given for the purpose of discount, but not one farthing had been handed to the defendant ; and he was in a situation to show that not any of the parties was possessed of the means of giving the money for such an amount ; for, whilst the plaintiff had been a bankrupt and an insolvent over and over again, Miles had also been a bankrupt, and lived in a little lodging in Queen-street, in the Edgware-road, over a yard, for which he paid a weekly rent of 4s. 6d., whilst his wife went out to wash. Schiers was in prison with the plaintiff, and had been there several times, and lived at 4, Winchester-row, near the prison, at a weekly rental of 6s. 3d. ; and when he left that place he quitted with an arrear of rent to the amount of £27 odd. These were the associates of the plaintiff in this fraud, and these were the parties whose names appeared upon the bill. Upon the plaintiff quitting prison in 1844, he had taken up his residence with a Mrs. Potey, in Craven-street, and had opened a banker's account. But to make matters, as they thought, doubly safe, the following letter was written by a cousin of the plaintiff, one Snell, to the defendant :—

"9, Panton-square, Haymarket, April 9, 1847.

"Sir—As indorser of your acceptances I beg to apprise you that one

drawn by James Lomas for £200, will become due on the 23rd of April instant, and your attention will oblige,

"Sir, your obedient servant,

"(For John Miles)

J. W. SNELL.

"Rev. C. Haime."

Why had not this Snell written for the plaintiff instead of for Miles; for the plaintiff, it was said, was the holder of the bill? He should prove this case, and having done so, should look with the utmost confidence for a verdict for the defendant."

The *Post-office keeper* at 33, Mount-street, Lambeth, on being called, stated that a person, who had described himself by the name of Lomas, had called at his house for letters, which were about 30 in number.

—*Helsdon* said,—I am a coal merchant, in Tower-street. These letters, which were directed to the defendant, and signed by the name of "James Lomas," are in the handwriting of a man named Tucker. That Tucker is about 28 years of age, and I have known him at least ten years. [These are the letters introduced by the learned counsel in his address to the jury.] I knew a man of the name of Siderf when he kept a public-house in the Lower-road, Islington, about 12 years ago. Subsequently to that period Siderf took an office in the city as a general merchant, but four or five years since I saw him in prison. I did not know that he went by any other name than that of Siderf. I have seen a man of the name of Schiers in the company of Siderf and Tucker at the Bull Inn in Bishopsgate-street, in the latter part of 1846 and in the beginning of 1847. I was at that period in the habit of going twice a-week to the Bull Inn to meet a friend in my trade. I have seen the advertisement which has been read in the course of the trial, for it was shown to me either by Siderf or by Tucker, who at the same time said that he had a friend who had some money to lend; and he also asked me if he thought the wording of the advertisement would do. I said I thought it was a very good advertisement.

Cross-examined.—My object in going to the Bull was to meet another coal-merchant.

Mr. Howard, a clerk from Cocks and Biddulph's, the bankers at Charing-cross, stated that there had not been any money paid into that bank on or about the 20th of January, 1847, on account of Messrs. Williams, to the credit of Mr. Charles Haime of Pillgweully.

Mr. Redpath, an attorney, produced the manuscript copy of the advertisement which was inserted in the *Watchman* newspaper.

Cross-examined.—A bill has been filed against the plaintiff in a court of equity, and a few days ago that person put in his answer to that bill.

F. Waite, from the *Watchman* office, proved the insertion of the advertisement on the 13th of January, 1847.

James Marsell said, I know Richard Schiers, and remember that he was in the Queen's Prison. Schiers and his family lived in my house, No. 4, Winchester-place, Southwark-bridge-road, three or four years up to April, 1847. Part of the time he paid me 4s. a week rent, and when he left he was £27 10s. in arrear.

C. F. Lewis.—I was one of the officers of the Queen's Prison for 20 years, and remember Siderf coming there in January, 1842. The present plaintiff was in that prison when Siderf and Schiers came in. The plaintiff was sent to that prison on the 1st of July, 1829, the 17th of June, 1833, the 29th of August, 1835, the 30th of January, 1837, and on the 29th of July, 1843. Schiers was there from the 14th of August, 1838, to the 7th of February, 1845.

J. H. Newdeman.—I live at 19, Queen-street, Edgeware-road. John Miles occupies a room in front, and a small room at the back over the yard, for which he pays 4s. 6d. a-week. His wife goes out to wash.

Mary Cowling said, I am the landlady of 9, Panton-square. Miles had an office in my house, and paid 12s. 6d. a-week for it. Snell came there a month or two afterwards. Miles took the office in the month of December, 1846, and began to pay rent in the following January. I got the rent very easily. The plaintiff very frequently came to the office, and I have seen him give money to Miles to pay the rent, as well as 2s. 6d. a-week for cleaning. The name of Cobb was on the door, but I never saw any one of that name at the office.

Cross-examined.—I have seen the plaintiff there as often as three or four times a-week, but I cannot say how often I have seen him give money to Miles. Mr. Lloyd, the late landlord of the house, to whom I acted as house-keeper, being in bad circumstances, the plaintiff paid him the sum of £10 in advance for the rent. This was probably three or four months after the office was taken. Miles retained the office to October last.

Seven schedules were then put in to show that the plaintiff had been a bankrupt or an insolvent that number of times.

Mr. *Humfrey* now replied, and in the course of his address admitted that a fraud had no doubt been committed upon the rev. defendant by the man Schiers, but he denied that the plaintiff had either been a party to the act, or that he had had any knowledge of it.

The *Lord Chief Baron* was proceeding to sum up the evidence, but

The jury said, they would not trouble his Lordship. They then returned a VERDICT FOR THE DEFENDANT, and added, "that in their opinion the defendant had never received any consideration for the bill; that the bill had been obtained by fraud from the defendant; and that the plaintiff was aware that the fraud had been committed."

AS TO PROMISSORY NOTES MADE PAYABLE TO THE ORDER OF THE MAKER.

BROWN V. DE WINTER.

We have referred on previous occasions to this case, as involving an important point of law with respect to Promissory Notes. The following report of the judgment upon it will therefore be found interesting:—

In this case an action was brought against the maker, as of a promissory note, payable to his own order and endorsed by him to the plaintiff. The defendant's pleas were as usual; that he did not make the note nor had he endorsed it. A verdict having passed for the plaintiff, a rule to enter a verdict for the defendant—pursuant to leave, or in arrest of judgment—was obtained, because as the promissory note by the declaration was made payable to the order of the maker himself, it was not, in the construction of law, negotiable within the statute of Anne, (Anne 3 and 4, chap. 9, sect. 1.) If so, no right of action accrued to the plaintiff as indorsee of the instruments. The rule was argued, we may say, to exhaustion; and in giving judgment the Court held that, owing to the conflict of opinion as between the Court of Queen's Bench and the Court of Exchequer on the point raised, it was necessary to review the statute with respect to the present action. It was in doubt whether a party who makes a note payable to his own order can be said to make a note at all. As the law now stands, no particular form of words is requisite to constitute a promissory note. It is a contract, and there must be two parties to it, so that the payee shall appear, at least by implication. Hence the statute, with reference to notes in their unendorsed state, spoke in the first instance only of notes made payable to some other than the maker. The Court accordingly considered the instrument in question, as originally drawn, to be incomplete and without binding effect.

But another question emerged as to the effect after endorsement of such a note. The Court thought the endorsement in blank by defendant had the effect of making this instrument a promissory note—that is to say, a promise to pay money to the bearer; and that the maker, by indorsement, gave a right of action to the indorsee. Consequently the declaration was good on general demurrer or in arrest of judgment; although, from a misdescription of the instrument (the declaration alleging it to be a promissory note before indorsement), there might have been ground for a special demurrer. The verdict, from a review of the whole case, must stand, and motion in arrest of judgment fail.

LIABILITY OF A BANK OFFICER'S SURETIES.

MELVILL AND ANOTHER V. DOIDGE.

Court of Common Pleas, Guildhall, Tuesday, 11th July.—This was a case of some peculiarity. It was an action of covenant on certain articles of agreement made between the plaintiffs, as trustees of the National and Provincial Bank, the defendant, and one C. G. Chidley, nephew of the defendant, upon the latter being taken into the employment of the said bank as a clerk for the period of four years; and in which the defendant covenanted that Chidley would well and faithfully serve in his capacity of clerk; and that if the said banking society or co-partnership should sustain or suffer any loss or damage whatever through the misconduct, negligence, or dishonesty of the said Chidley, he, the defendant, would make good and reimburse the said banking society or co-partnership, and the shareholders thereof for the time being. The breach of this agreement, in respect of which it was now sought to make the defendant liable, was stated in the declaration in effect to be, that through the misbehaviour and negligence of Chidley in his office of clerk, the bank had lost certain monies and valuable securities, which had been deposited in his hands, and entrusted to him to carry to the bank, and that the defendant had not made good and reimbursed the bank for the loss so sustained.

Mr. Serjeant Byles and Mr. J. Wilde conducted the plaintiff's case; and Mr. Cockburn and Mr. M. Smith, the defendant's.

It appeared that the bank in question had an establishment at Bideford, in the county of Devon, where the present defendant was resident. The articles of agreement, for the alleged breach of which the action had been brought, was proved to have been made in the month of February, 1845, and put in evidence, Chidley at that time being about eighteen years of age. About ten miles from Bideford, at Stowford, the bank had a customer, Mr. Daman, who, in consequence of a suspected robbery at his house, had removed his residence, and was in the habit of receiving his rents half-yearly at a tenant's house. On the 5th of May, 1847, being one of the rent-days, Chidley was sent by the bank, at Mr. Daman's request, to receive the amount of the rents and convey it safely to the bank, the same course having been adopted by the bank in the particular instance of Mr. Daman on four previous occasions. Having received his instructions from the bank accountant, Chidley went to the Barley Mow in Bideford, and hiring a horse there, he rode off on his way to Stowford at about half-past twelve o'clock at noon, where it was stated he arrived about half-past three o'clock the same afternoon, in time to partake of the customary dinner prepared for Mr. Daman's tenants, to which, however, the tenants had, for some little time previously, sat down. After dinner Mr. Daman's steward handed to Chidley the total amount of the rent, £447 1s., of which £120 was in gold, and about £5 in silver, and the rest in notes and a draft, the whole weighing a little more than three pounds seven ounces. Chidley put the amount in a bag and into his right-hand pocket, and prepared to return home. Before riding off, however, he asked the owner of the house (Ching) the nearest way home, saying he had missed his road when coming. Ching showed him

the way over the moors, a tract of country as was proved of a wild and lonely description, intersected by a number of crooked roads, and by ways without even a finger-post to guide the traveller; and further observed, that if afraid of being robbed, he, Chidley, had better return by a different route from that which he had come. To which latter observation Chidley, advancing a small stick then in his hand, replied that he would use that about any one who molested him. At length Chidley rode off, but in about an hour after he again returned to the same house, and conveyed to Ching tidings of his having lost the money, showing at the same time his coat, and that both the flap and pocket were completely gone. He distinctly said he had not been robbed or touched by any one, and requested that some one might be sent with him to search for the money. A man did accordingly accompany him back, but no tidings of the money could be discovered; and ultimately Chidley returned home to Bideford. When he reached home again it was three hours beyond his usual time, namely, ten at night; and it appeared that he had not only then stated he had lost the money, and that his pocket had been broken out, but also, some days after, at Mr. Daman's house, where he was strongly pressed by the manager of the bank, both privately and in the presence of his mother, to tell all he knew about it. A blacksmith, named Honey, was then examined, and he stated that he lived on the side of the road from Stowford to Bideford, and near Stowford. About seven o'clock he saw Chidley returning towards Stowford, not more than a quarter of an hour having elapsed from the time he had seen him going in the contrary direction, with the skirt off his coat. At the time he was standing within his door, and was "so much concerned at seeing the skirt gone, that he could not come out of his door. It never occurred to him that money had been lost. It was only the loss of the skirt that caused him concern." He (witness) saw Chidley when he returned back with Ching's man in search of the money. Chidley could hardly speak then, he was so frightened, so delicate and pale. The next morning he again saw him, and upon his (witness) remarking to him that it was a bad job, he (Chidley) replied, the coat would clear him, and that his master had proved him. The coat itself was produced in court, and exhibited a singular appearance, the whole of the right flap and pocket being completely gone, and the plaid lining underneath laid bare, and one or two tailors were called, who stated that in their opinion the rent presented by the coat could not have been caused by the weight of the money whilst riding, and that it was much more likely that the bottom of the pocket would have given way. In addition to this testimony, Daniel Forrester, whose services had been engaged in the matter, stated that Chidley, in answer to his inquiries, had stated to him, that when he was coming back from Stowford, he met a female tramp about a quarter of a mile on, and after that time he felt the money safe. That he then proceeded some little distance further on, and having met two men, he asked them the road to Bideford, and was by them sent back and put in the right direction; that at that time his coat was not cut; that soon after he met two other men upon the hill, who, upon being requested, also pointed out to him the right road; that he had not gone much further on afterwards, when he perceived, for the first time, that part of his coat and pocket were torn away. He immediately turned back, and went at a slow trot up to the cottage of one of the men whom he had met first, named Sanders. He there saw a woman and her daughter, and told them that he had lost a bag of money, and asked them to go with him and search for the bag, to which they replied that they were going out in the evening, and could not. He then afterwards saw the blacksmith, and had, he believed, told him that he had lost a bag of money. Then, as to going from Bideford in the morning, he said that when he got to the turnpike gate, half a mile from Bideford, he left his horse there with the gate-man, and went back to fetch his great coat. He told him

(witness) distinctly that his pocket was cut. This was, in effect, the plaintiff's case, with the additional proof of the amount of the loss having been made good by the bank to Mr. Daman. There was some evidence also as to the custom of sending clerks for money.

On behalf of the defendant, the first witness called was—

Chidley himself. He said he had left the bank about half-past twelve, and having looked into the County Court, opened for the first time that day, taken a little refreshment, and got his horse at the Barley Mow, started for Stowford about one o'clock. Upon reaching the turnpike gate he left his horse with the gate-man, and returned for his outside coat. Having again mounted, he rode off, and soon after thought he had lost his way, and turned back; but, upon inquiry, he was set right at a blacksmith's shop, and reached Stowford about quarter-past three. Near seven o'clock he again left Stowford, with the amount of the rent. He met two masons near Sanders's cottage, and asked the road. They put him back, and, upon their direction, he went a quarter of a mile further, and met two other men. He passed them, and, seeing a road to the right, he sung out to them which was the way? and they said, "Go on to the right." In about a quarter of a mile further on, he observed that his pocket and the money were gone. He immediately returned to Sanders's cottage, and asked the mother and daughter there if they had seen a parcel. They said no. He then asked them to go and assist him in looking for it, which they declined doing, as they were going out that evening. He then went to Stowford, and, as already proved, got a man to go with him in search of the money, but without success. He then requested the man to make a search next morning, promising to give him a guinea if he found the money, and afterwards returned home. He never called anywhere between Stowford and the time of meeting the masons. Could not account for the loss in any other way than that the weight must have done it. The solicitor to whom he had been under indentures before going into the bank, had, since the occurrence, taken him back into his office. He discovered the loss when he put his hand back to see that the money was all right. He had no communication whatever that day with any one about the taking of the money, and did not know what became of it.

Cross-examined.—He had been four times before to Stowford. He always went Buckland way. His great coat was new in December before. Looking at a chart produced, he could not tell which way he went. He did not recollect telling Forrester that he had met a female tramp, and that afterwards he felt his money safe. He could not swear that he did not say so. He did not get off his horse between Sanders's house and Buckland. He would not undertake to swear that he did not meet a female tramp.

William Sanders was a mason, living about half a mile from Stowford, and recollected seeing Chidley on the occasion, about seven o'clock, going along the road, and told him, upon being asked, the right road. Chidley was cantering on pretty fast at the time. The witness then corroborated what Chidley spoke to as having taken place at the witness's house on his return.

Two tailors were then examined, and stated that the cloth of the coat appeared to have been pressed with too hot an iron, which weakened cloth, and particularly beaver, of which the coat was made. They thought also that the coat was not capable of bearing one-half the weight of the money, and that the rent was such as might be expected.

The only other evidence was that of two bankers, to the effect that it was not the custom at Bideford to send bankers' clerks for the money of customers.

The Lord Chief Justice told the jury, that, in his opinion, the delivery of the money to the clerk Chidley made the plaintiffs the general owners of the amount; but, at all events, the delivery gave such a special property to the plaintiffs as entitled them to maintain the present action. Then, as to the

plaintiffs having sustained a loss, he thought they were responsible for the money, and therefore were in that respect also entitled to maintain the action. The only question which the jury had to consider was, whether or not Chidley had well and faithfully served the bank as clerk, and was the money lost through his misconduct and negligence? They would also then say whether or not it was the custom of bankers to send their clerks to receive the money of their customers—that question being asked with a view to the opinion of the full court?

The jury returned a verdict *in favour of the plaintiffs*, finding that the loss had taken place through the negligence of Chidley; and, with respect to the other question, they said that such a custom did exist in London, but whether or not it did exist in Bideford they could not, upon the evidence, say.

BALANCE SHEET OF MESSRS. BRODIE, BANKRUPTS.

At the adjourned last examination of the bankrupts, who had been bankers, at Salisbury, the joint and separate balance-sheets, as amended, were as follows:—

Joint balance-sheet, from 1st January, 1845, to 1st November, 1847.

DR.		CR.	
To creditors	£109,114	By deficiency, Jan. 1, 1845	£54,967
— annuity creditor ..	1,062	— debts estimated at ..	45,712
— notes in circulation ..	23,335	— property	19,931
— profit	10,550	— ditto, in hands of Wil-	
— capital of W. B. Brodie	23,605	liams & Co.	20,544
— do. C. G. Brodie ..	699	— loss on realised debts and	
		property under the fiat	20,989
		— amount carried to the	
		credit of partners ..	6,106
		— balance	116
	<u>£168,365</u>		<u>£168,365</u>

Separate balance-sheet of W. B. Brodie, for the same period.

To creditors	£9,087	By property	£1,835
— liabilities	6,773	— loss on realising ditto ..	502
— capital	17,166	— expenses	12,761
— legacy	207	— amount due from the	
— sale of life policy ..	1,005	late firm of Brodie and	
— profits	12,099	Gregory	1,177
		— amount to credit of bank	
		account	5,894
		— ditto of stationery ditto	17,111
		— liabilities	6,773
		— mortgage under mar-	
		riage settlement ..	209
		— bad debts and balance .	75
	<u>£46,337</u>		<u>£46,337</u>

The bankrupts were supported by Mr. Lawrance; Mr. Paine, on behalf of the assignees, offered no opposition to the bankrupts' passing. Mr. Squarey, the attorney at Salisbury, said the assignees had had very little time to go through the accounts, but looking to the character of the party who had prepared them, and to the accounts themselves, they considered them satisfactory.

Mr. Lawrance said they had been framed from the books, and there was no estimate of imagination at all. They were all facts. The bankrupts then passed, and the 27th of July was fixed for the certificate meeting.

Communications

To the Editor of the Bankers' Magazine.

ON THE PROPOSED LIMITED LIABILITY OF JOINT STOCK BANK SHAREHOLDERS.

SIR,—I have observed, in the June number of your publication, an article on the "Proposed limited liability of Joint Stock Bank Shareholders," also some remarks thereon, in your last number, by your correspondent "W. J. G.;" and as I consider the subject to be well worth discussion in your pages, I wish to make a few observations concerning it.

Although the principle of Joint Stock Banking has received the indelible stamp of public approbation in all parts of the United Kingdom, together with the sanction of the legislature, yet the Act of Parliament, passed during the late Government, contains such stringent regulations, as to form a complete bar to the extension of the system.

The "Heads for framing a Public Act," &c., (in your June number), are, I think, taking a general view of them, very good, and contain all that is necessary for the protection of the public and the shareholders from loss and ruin, through fraud and mismanagement. I do not agree with your correspondent "W. J. G.," however, when he gives it as his opinion that the character of Joint Stock Banks, so far as regards the superiority of their security over Private Banks, would be affected by the proposed limited liability. They would then become more common; men of higher standing and respectability would embark in them; and the system altogether be better understood and appreciated.

Experience tells us, that even under the present regulations regarding the retirement of directors, appointment of auditors, and the amount now required to be paid upon each share, the total liability of shareholders is not necessary, for, with one or two exceptions, wherever failures have occurred, no more than the *paid-up capital* has been lost.

There are, however, some of the "Heads" which would require revision. The seventh provides, "that no fewer than three of the directors have free access to all the books, with a qualification of £5,000 in shares held by each." Now I would suggest that this privilege be extended to all the directors, and that holders of ten £200 shares be qualified to act as directors, otherwise the directors and auditors would possess too large a proportion of the stock. Three of the directors would of course retire annually, and not be eligible for re-election according to Act of Parliament. The eleventh Head provides that the "doubtful and bad-debt ledger be kept in some convenient place for thirty days after the ordinary meeting of the Company, to be open during that time for the inspection of the shareholders and *creditors* of the bank." This would, I think, be giving a most unnecessary and offensive publicity to the transactions of customers who may have got into those books entirely through misfortune, and it would altogether be very prejudicial to the interests of the bank. The appointment of two auditors *annually* from the body of shareholders, with full powers to visit and investigate the accounts at all the

branches of the bank, would form a sufficient guarantee of the correctness of the directors' reports.

With these remarks I cease for the present the further discussion of the subject, trusting to see it brought prominently before the public.

I am, Sir, your very obedient servant,
July 15, 1848.

W. T.

Reports of Joint Stock Banks.

NOTE.—(We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—ED. B. M.]

LONDON AND WESTMINSTER BANK.

A half-yearly general meeting of the proprietors was held on the 19th July ultimo, when the directors presented the following report:—

"In consequence of the resolution passed at the last general meeting of proprietors, recommending that there should be a half-yearly meeting of the company, and that the general meeting now held in March should take place at an earlier period of the year, the directors have called this special meeting for the purpose of making a half-yearly report, and for the additional purpose of altering the deed of settlement, so that the annual meeting of the proprietors shall, in future, be held on the third Wednesday in January.

The directors have accordingly to report that, after defraying the total expense of management, making allowance for all bad and doubtful debts, and paying the income tax, the net profits of the half year amount to £24,838 16s. 11d., which, added to £100,647 16s. 11d., the balance of unappropriated profits at the commencement of the year, make a total of £125,486 13s. 10d. Out of this sum, the directors now declare a dividend at the rate of six per cent. per annum, upon the paid-up capital of £1,000,000. After the payment of this dividend, amounting to £30,000, there will remain a balance of unappropriated profits of £95,486 13s. 10d.

The dividend now declared will be payable on Monday next, the 24th instant, instead of, as heretofore, on the 10th September, and in future the half-yearly dividends will be payable in January and July.

The directors now beg to call the attention of the proprietors to the alteration of the time for holding the annual meeting.

The legal adviser of the bank has prepared for consideration a resolution making such an alteration in the deed of settlement as will enable the annual general meeting of proprietors to be held on the third Wednesday in January, instead of the first Wednesday in March. As it will be necessary that this resolution, if passed, be confirmed at another meeting of the proprietors, the directors will duly convene such meeting on Wednesday, the 16th August next.

The result of this resolution will be that the annual general meeting of the bank will in future be held, under the deed, on the third Wednesday in January, and a half-yearly meeting may be called specially by the directors, either on the third Wednesday in July, or on any other day whenever it shall be deemed necessary or expedient.

The directors have the satisfaction of closing this report by stating that the business of the bank has continued to increase, and they doubt not that when a revival shall take place in the commerce of the country, the company will reap the benefit of its large capital and extended connexions."

LONDON AND WESTMINSTER BANK, JUNE 30, 1848.

<i>Dr.</i> —To proprietors, for paid-up capital	£998,179	0	0
To amount due by the bank for deposits, circular notes, &c.	3,170,118	7	10
To rest, or surplus fund	100,647	16	11
To profits of the past half-year	24,838	16	11
	<u>£4,293,784</u>	<u>1</u>	<u>8</u>
<i>Cr.</i> —By government securities	£1,295,047	10	0
By other securities	2,409,864	19	10
By cash in hand	588,871	11	10
	<u>£4,293,784</u>	<u>1</u>	<u>8</u>

PROFIT AND LOSS, JUNE 30, 1848.

<i>Dr.</i> —To payment of the dividend now declared at the rate of 6 per cent. per annum, on a capital of £1,000,000, for the half-year ending June 30, 1848	£30,000	0	0
To balance of unappropriated profits	95,486	13	10
	<u>£125,486</u>	<u>13</u>	<u>10</u>
<i>Cr.</i> —By balance of unappropriated profits on 31st December, 1847	£100,647	16	11
By net profits of the past half-year, after defraying the total expense of management, paying the income tax, and making provision for all bad and doubtful debts	24,838	16	11
	<u>£125,486</u>	<u>13</u>	<u>10</u>
By balance of unappropriated profits	£ 95,486	13	10

The report was adopted, some discussion having first ensued relative to the reduction of the "rest," in order to provide for the dividend recommended by the directors. The chairman explained that the losses during the half year had been above the average, and that it had been considered proper to deduct them at once from the profits. The branches were all profitable, and no losses of importance had been sustained by any of them during the past half year.

COMMERCIAL BANK OF LONDON.

At the eighth Annual General Meeting, held at the Bank, Lothbury, on Tuesday, 18th July, 1848, the directors presented the following report:—

"In presenting the eighth annual statement of the affairs of the Bank, the directors congratulate the proprietors upon the result of the year's operations; and it is a source of much gratification to find that they are enabled to continue the dividend of £6 per cent. per annum, and to make a further addition to the Guarantee Fund, notwithstanding a monetary crisis, more severe in its pressure on the mercantile affairs of the kingdom than any experienced for many years past.

It will be seen by the annexed balance sheet, that after writing off the bad and doubtful debts, and paying the charges and current expenses of the past year, the net profits amount to £11,568 15s. 2d.; out of these profits, a

dividend, at the rate of 6 per cent. per annum, for the half year ending 31st December, 1847, has been already paid, and the directors have now to declare a dividend for the half year ending 30th June, 1848, at the same rate, and as usual, free from income tax.

After paying this dividend and deducting rebate of interest upon current bills, there will remain a balance of £2,169 13s. 4d. to be added to the Reserve Fund, increasing that fund, with the addition made during the year, to £17,386 9s.

In compliance with the provisions of the Deed of Settlement, the following directors retire from office, viz.—Edward Cotton, William Rickford Collett, James Alexander Douglas, Edward Oxenford, Esqs.; and James Alexander Douglas and Edward Oxenford, Esqs., being eligible, offer themselves as candidates for re-election; and Charles Hill and Thomas Winkworth, Esqs., who are duly qualified proprietors, offer themselves as candidates.

BALANCE SHEET, 30TH JUNE, 1848.

<i>Dr.</i>			
Capital subscribed	.. ..	£641,400	0 0
Capital paid up	.. ..	£128,280	0 0
Guarantee Fund invested in 3 per Cent. Reduced Stock	.. ..	15,216	15 8
Balances due to the customers of the Bank	.. ..	406,217	13 11
Balance carried down, after deducting bad and doubtful			
Debts, and paying all charges and current expenses	.. ..	11,568	15 2
		£561,283	4 9
<i>Cr.</i>			
Dividend at the rate of 6 per cent. per annum, for the half-year ending 31st December, 1847, <i>already paid</i>	.. ..	£3,848	8 0
Ditto at ditto, for the half-year ending 30th June, 1848	.. ..	3,848	8 0
Rebate of Interest on current bills	.. ..	1,702	5 10
Balance carried to the Guarantee Fund, making			
that fund	.. ..	£17,386	9 0
		2,169	13 4
		£11,568	15 2
Cash in hand, Government Securities, Bills Discounted, &c.	.. ..	£557,284	4 9
Value of Banking Premises, Fittings, and Furniture	.. ..	4,000	0 0
		£561,283	4 9
Balance brought down	.. ..	£11,598	15 2

The report was unanimously adopted; and the directors proposed elected; after which it was resolved that the cordial thanks of the meeting be presented to the chairman and directors; and to Mr. A. Cutbill, for his able and zealous services in the management of the Bank.

UNION BANK OF LONDON.

At the Ninth Annual Meeting of the proprietors, held on Wednesday, the 12th July ulto., the Directors presented the following Report:—

“The directors have the pleasure to lay before the proprietors their ninth annual report of the affairs of the bank, with a statement of the assets and liabilities of the company.

On reference to the balance-sheet annexed to this report, after making provision for all bad and doubtful debts, and defraying all current expenses of management, it will be seen that the net profits of the year amount to £39,283 3s.

Of this sum, after payment of £25,374, being the amount of the dividend, at the rate of 6 per cent. per annum, clear of income-tax, and appropriating £500 as usual, in the reduction of the preliminary expenses, there will remain a surplus profit of £13,409 3s. out of which the directors have added £9,100 to the reserve fund, leaving an unappropriated surplus profit of £4,300 3s.

The directors have the satisfaction of stating that the reserve fund now amounts to the sum of £50,000 sterling. They beg to remind the proprietors that this fund has been accumulated entirely out of trading profits, and has not yet been augmented by any additions arising from the appropriation of the reserved shares.

With respect to these shares, which were alluded to in the last annual report, it is almost superfluous to refer to the unprecedented mercantile crisis which has marked the eventful period since the last general meeting, as having rendered it inexpedient to appropriate them at a time when it might be inconvenient to many proprietors to avail themselves even of so advantageous an investment.

Notwithstanding the unparalleled pressure, which, during the past year, has weighed upon the commercial interests of this country and its dependencies, and proved so disastrous in its consequences, even where great prudence and discretion were exhibited, the directors have to congratulate the proprietors that this bank has had the good fortune to avoid any material loss arising from the numerous failures which occurred during that period. But while more than ordinary caution has been observed in the conduct of the business, the directors have the pleasure to state that the valuable and extending connexions of the bank evince its solid and steady progress.

"On reference to the accounts, it will be seen that £30,242 10s. 10d. was paid last year to customers for interest on their current and deposit accounts; and it may not be undeserving of remark, that since the commencement of the business, nearly £170,000 has been so returned to customers as interest on their balances.

The directors have had to regret the loss by death of Major-General Robertson, and the retirement of William Morley, Esq., and A. Cockburn, Esq., from the direction. In pursuance of the provisions of the deed of settlement, the directors proceeded to supply those vacancies, by the election of Henry Hulbert, Esq., Archibald Boyd, Esq., and Lieutenant-Colonel Matheson, M.P., all being duly qualified proprietors.

In conformity also with the provisions of the deed of settlement, the three following directors now retire by rotation, viz.: John Connell, Esq., Sir Peter Laurie, and Andrew Spottiswoode, Esq.; and John Connell, Esq., and Sir Peter Laurie, being eligible, offer themselves, and are recommended by the court of directors for re-election; and the directors also intimate that John Scott, Esq., of No. 4, Hyde-park-street, a duly qualified proprietor, has given the requisite notice that it is his intention to become a candidate for a seat in the direction at this General Meeting.

30th June, 1848. LIABILITIES.

Paid-up capital, £10 per share on 42,290 shares	£422,900	0	0
Due by the bank on current accounts, deposit receipts (including interest accrued), circular notes, &c.	2,644,728	12	8
Reserved fund, invested in Bank Stock, as per contra	40,900	0	0
	£3,108,528	12	8
Surplus profit	39,283	3	0
	£3,147,811	15	8

ASSETS.

Cash in the bank, in the Bank of England, loans, Exchequer bills and other Government securities, bills discounted, &c.	£3,024,483	4	8
£20,465 14s. 2d. Bank Stock (reserved fund) . .	40,900	0	0
Bank premises, consisting of freehold buildings in Princes-street, Mansion House, and Argyll-place, and purchase of lease and fixtures of premises, 4, Pall-mall East	57,741	11	0
Preliminary expenses	12,000	0	0
Half-year's dividend, to 31st December, 1847, amount carried forward	12,687	0	0
	<u>£3,147,811</u>	<u>15</u>	<u>8</u>

APPROPRIATION OF THE SURPLUS.

Dividends on paid-up capital viz:—			
Half-year, to 31st December, 1847, already paid, at 3 per cent.	£12,687	0	0
Half-year, to 30th June, 1848, now declared, at 3 per cent.	12,687	0	0
	<u>£25,374</u>	<u>0</u>	<u>0</u>
Addition to the reserved fund	9,100	0	0
Proportion of preliminary expenses	500	0	0
Undivided profit carried to profit and loss new account	4,309	3	0
	<u>£39,283</u>	<u>3</u>	<u>0</u>
Profit as above, after deducting all expenses paid or due, and interest (£30,242 10s. 10d.) allowed to customers on their current and deposit accounts	£39,283	3	0

The Governor declared a dividend of 3 per cent. for the half-year, being at the rate of 6 per cent. per annum, payable on or after the 20th instant.

It was then resolved unanimously, that the report be received, and the directors above named be elected; that it be a recommendation to the court of directors to require a declaration from every proprietor to be hereafter elected a director that he is, *bona fide*, worth the sum of £10,000, in addition to a qualification of 100 shares.

LONDON JOINT STOCK BANK.

At a general meeting of the shareholders held on Thursday, the 13th July last. The following report was presented:—

“The Directors have the satisfaction of laying before the shareholders the half-yearly balance sheet, ending the 30th ult., showing the net profit of the Bank for that period to be £33,490 3s. 8d., out of which the sum of £18,000 has been appropriated for the payment of the half-yearly dividend at the rate of £6 per centum per annum, and the balance of profit, amounting to £15,490 3s. 8d., is held over for disposal at the end of the year.

The dividend will be payable on and after Friday, the 21st instant.

LIABILITIES AND ASSETS.

<i>Dr.</i>			
To capital paid up, viz., 60,000 shares at £10 each	..	£600,000	0 0
To amount due by the bank	.. .. .	2,232,265	7 4
To amount of the guarantee fund, Dec. 31, 1847	.. .. .	£123,759	1 7
To six months' interest on ditto at 3 per cent. per annum	.. .. .	1,856	7 9
			<hr/>
To amount carried to profit and loss account	.. ..	125,615	9 4
		71,882	4 9
			<hr/>
		£3,029,763	1 5
<i>Cr.</i>			
By Exchequer-bills, India Bonds, &c.	.. .. .	£512,060	5 7
By bills discounted, loans, and cash	.. .. .	2,488,452	15 10
By building, furniture, &c., in Princes-street	.. .. .	£19,000	0 0
By ditto in Pall-mall	.. .. .	10,250	0 0
			<hr/>
		29,260	0 0
			<hr/>
		£3,029,763	1 5

<i>Dr.</i>			
PROFIT AND LOSS.			
To current expenses, proportion of building expenses, directors' remuneration, bad debts, income tax, &c.	.. .. .	£31,691	0 0
To amount carried to profit and loss, new account, being rebate of interest on bills discounted not yet due	.. .. .	6,701	1 1
To dividend account for the payment of half a year's dividend, at the rate of 6 per cent. per annum, upon £600,000, amount of paid up capital upon 60,000 shares	.. .. .	18,000	0 0
To balance, being undivided profit for the half-year	.. .. .	15,490	3 8
			<hr/>
		£71,882	4 9
			<hr/>
<i>Cr.</i>			
By balance brought down	.. .. .	£71,882	4 9
			<hr/>

The report was unanimously adopted, and votes of thanks passed to the directors, and *Geo. Pollard, Esq.*, the manager, for their excellent management of the affairs of the bank.

THE ORIENTAL BANK.

Liabilities and Assets at July 1, 1848, from the *London Gazette*.

Deposits and other Liabilities	.. .. .	£1,801,507	19 0
Capital paid up and Reserved Fund	.. .. .	1,029,588	9 6
			<hr/>
		£2,831,096	8 6
			<hr/>
Cash and Government Securities	.. .. .	£492,567	8 3
Bills Outstanding, Cash Credits, and Loans	.. .. .	2,204,659	10 2
Dead Stock	.. .. .	42,754	10 0
Balances due by other Banks and Branches	.. .. .	91,115	0 1
			<hr/>
		£2,831,096	8 6
			<hr/>

H. G. GORDON, *Chairman*.
JOHN SKINNER, *Deputy Accountant*.

NORTH-WESTERN BANK OF INDIA.

The following is a full report of the Assets and Liabilities of this Bank, up to Saturday, 29th April, 1848:—

ASSETS.				LIABILITIES.			
Cash and Bills ..	Rs. 1,80,807	10	2	Floating Deposits, Rs. 1,66,068	6	0	
Bills discounted..	1,06,249	2	4	Interest Deposits..	10,22,854	11	3
Government Paper and other securities ..	1,33,493	9	1	Reserve Fund ..	1,11,200	0	0
Calcutta Branch ..	6,00,000	0	0	Bank Stock ..	40,00,000	0	0
Loans ..	28,40,176	0	10	Profit and Loss ..	50,205	13	1
Credits ..	1,41,915	0	6	Suspense Account .	10,097	5	0
Bank House ..	15,000	0	0	Reserve Profit and Loss ..	10,618	0	0
Office Furniture ..	667	2	0	Due to other Banks	2,621	5	0
Mussoorie Agency ..	1,78,692	11	10				
Calcutta Agency ..	4,26,674	6	11				
London Agency ..	5,79,459	4	11				
Lahore Agency ..	1,29,245	15	4				
Due by other Banks .	41,284	8	5				
Total Rupees 53,73,665 8 4				Total Rupees 53,73,665 8 4			

North-Western Bank of India, }
Moerut, 2nd May, 1848.

F. ANGELO, *Secretary,*
 F. WHITEHEAD, *Accountant.*

CITY OF GLASGOW BANK.

The Annual Meeting of the City of Glasgow Bank was held on Wednesday, 5th July, at Glasgow. From the Report submitted to the meeting, it appeared that the reserved fund last year amounted to £128,669 14s. 11d.; the balance of present year's profits, making ample allowance for bad debts, amounted to £42,430 13s. 3d., being a total of £171,100 8s. 2d.; from which the directors recommended that the usual dividend of 6 per cent., free of income-tax, should be paid, amounting to £57,915 12s. leaving for the sinking fund £113,184 16s. 2d.

This company has, since the last annual meeting, taken up the business of the Isle of Man Banking Company.

WESTERN BANK OF SCOTLAND.

The annual meeting of the proprietors of this Bank was held on Wednesday, 28th June last, at Glasgow. The manager read a report on the affairs of the bank for the past year, which stated that, after making provision for the losses sustained during a period of unexampled commercial distress, the directors were enabled to declare a dividend of 8 per cent., besides paying the income-tax. The rest, or sinking fund, after deducting the dividends and provision for the losses of last year, was also stated to be £300,000. The report was unanimously approved of, and the thanks of the meeting voted to the chairman, directors, and office-bearers.

THE COLONIAL BANK.

At the half-yearly meeting of this company, held on the 11th July ultimo, at the London Tavern, the secretary read the following report of the directors:—

"The statement of the debts and assets of the corporation, as required by the charter, has been made up to the 31st of December, 1847, showing the profits made by the bank during the half-year ending at that period, and is now submitted by the directors to the proprietors, viz.:—

DEBTS.							
Circulation .. .. .	..	..	..	..	£207,726	6	8
Deposits and other liabilities .. .. .	..	..	..	..	773,968	9	0
Paid-up capital .. .. .	..	..	..	..	500,000	0	0
Profits .. .. .	..	..	..	..	20,458	7	2
					£1,502,153	2	10
<hr/>							
ASSETS.							
Specie .. .. .	..	..	..	..	£128,075	10	0
Due to the bank in the colonies on bills discounted and purchased, including those past and due .. .. .	..	..	..	..	622,133	2	5
Due to the bank in the colonies on cash credits and current accounts .. .. .	..	..	..	..	174,930	18	9
Due to the bank in London, on bills remitted, cash at bankers', &c. .. .. .	..	..	..	..	483,542	9	9
Balance of bad and doubtful debts .. .. .	..	..	..	..	6,175	5	4
Bank premises and furniture in London and the colonies .. .. .	..	..	..	..	17,295	16	7
					£1,502,153	2	10

In their last report, the directors adverted to the ruinous depreciation in the value of sugar, and to the numerous failures which had taken place in consequence of the injurious operation of the act of parliament of 1846, and of the monetary pressure existing in this country. They also stated that many bills were in abeyance from which the bank must sustain loss; and they regret now to add, that the depression under which the markets for West Indian produce have continued to labour ever since the period of the last half-yearly meeting, has had the effect of occasioning further failures, from which additional loss must be anticipated. These calamitous events are still of too recent occurrence to admit of the directors laying before the proprietors an accurate statement of the bank's losses; but as they are anxious to afford all the information they can on the subject, they have endeavoured to form as correct an estimate as possible; and they are sorry to state that they cannot calculate the probable loss at less than £100,000. It is extremely painful to the directors to have to make this communication; but in doing so they think it due to themselves to point out to the proprietors that the losses of the bank have not arisen from any want of caution on their part, for, as mentioned in their last report, immediately on the passing of the act of 1846 they transmitted cautionary instructions to their manager, which they have since been constantly repeating; but the fall in prices had proved so unprecedentedly heavy, and the depression has continued so long, that it has baffled all ordinary calculations. Under these circumstances the directors entertain no doubt that the proprietors will agree with them in opinion, that it would not be proper to declare a dividend at this time; but that the correct course is to devote the profits reported above to the extinction of the balances of old, bad, and doubtful debts, and to the commencement of a fund to meet those losses which are anticipated, but cannot at present be ascertained. The directors consequently propose that from the amount of profit made during the half-year ending 31st of December, 1847, after deduction of all current expenses, viz. £20,558 7 2 Be deducted the balance of old, bad, and doubtful debts .. 6,175 5 4

Leaving £14,383 1 10
as the commencement of a fund for new bad debts.

With regard to the future, the directors trust that, as the evidence taken before a committee of the House of Commons on the sugar question has caused her Majesty's government to propose a modification of the act of 1846, the result of that inquiry will prove beneficial to the Colonial Bank and to the colonies; for although the measures of government are considered inadequate to meet the exigencies of the case, the discussion which has taken place on the subject will render the public of this country more fully cognisant than heretofore of the hardships under which the West India colonies have suffered so long; and, by the influence of public opinion, the advisers of the Crown may hereafter be induced to afford them that further support which they are entitled to ask, so long as they are exposed to the competition of slave labour. In the meanwhile it will be the care of the directors to conduct the business of the bank under such precautionary restrictions as to avoid loss, as far as possible; and as they are no longer subject to the competition of the West India Bank, they trust this may be accomplished with less diminution of profit than would otherwise have been the case.

Large as the sum is which has been mentioned as the probable amount of the bank's loss, the directors do not consider it such as to impair the efficient working of the institution, or to render it necessary to call for further capital from the proprietors.

In conclusion, the directors assure the proprietors that no exertion shall be wanting on their parts to improve the position of the bank, and they trust circumstances will permit their endeavours to be successful."

Some discussion followed the reading of the report, as to the expediency of winding up the company; but the chairman having stated that if the directors considered such a step necessary they would recommend it to the shareholders, the motion was withdrawn.

BANK OF AUSTRALASIA.

At the fourteenth annual meeting, held 26th June, 1848, at the London Office, the Directors presented the following Report:—

"In submitting this their Fourteenth Annual Report to the Proprietors, the Directors proceed to notice the transactions of the past year of Account, ending the 11th of October last, and such other matters of interest as are connected therewith.

The Statements (made up to the above-mentioned period) from the various Branches in the Colonies, exhibit, upon the whole, a satisfactory result, particularly at Hobart Town, Melbourne, and Adelaide, and viewed distinct from the old accounts, may be considered as realizing the expectations entertained by the Directors.

The Proprietors will be pleased to learn, that no material loss has been incurred by Bills remitted from the Colonies on houses that have stopped payment, or on those held in the London Office, as Security for Loans.

The Directors have to congratulate the Proprietors upon the successful issue of the Appeal in the Case against the Bank of Australasia. The Privy Council has decided every point in favour of the Bank of Australasia, directing the costs of the action at Sydney to be paid by the defendants, together with interest upon the original debt.

The Directors have transmitted the Order in Council to Sydney, with instructions to proceed at once to recover payment of the Debt; and they will, as soon as possible, place themselves in a position to follow such a course, as circumstances may render necessary, with regard to the Shareholders in this country.

The Labour Question, on which the interests of the Colonists, and of the Bank, so materially depend, appears at last to have excited the active atten-

tion, not only of the Government, but also of the public generally. Emigration from this country has been resumed; and the Directors have substantial grounds for stating, that a further extension is in progress. If labour be adequately supplied, a great improvement in the value of all Australian property must follow, but, up to the latest advices, the want of hands was severely felt, particularly in the older settlements, and formed a topic of loud and general complaint. Whatever, therefore, may be the well-grounded hope for the future, the period embraced in the present Report shows no amelioration in this respect. The continued depreciation in the price of Wool, the great staple of the Australian Colonies, at the same time operates powerfully to keep them in the state of depression from which they have so long suffered. And, under the joint influence of these unfavourable circumstances, the value of land and stock, and all depending interests, remains nearly in the same uncertain position as heretofore.

The effect of this state of things, has been to cause a serious falling off in the estimated value of the property held in security for old debts, as well as to affect the position of many of the old debtors to the Bank, and to lead to the apprehension of a considerable loss beyond that already calculated upon.

The Directors would have been well pleased, had they been able to arrive at any estimate satisfactory to their own minds, or which they could feel justified in laying before the Proprietors, as to the extent of such further loss on the old accounts, but this has been found impracticable, in consequence of the Superintendent, Mr. Hart, and Mr. Atherton, taking such widely different views on the subject, that the joint Report which they had been directed to furnish, cannot now be looked for.

Mr. Hart is of opinion, that by following a course of gradual liquidation, the Properties may in most instances be made to realize the amount which they represent on the Bank's Books, without leaving any serious deficiency. Mr. Atherton, on the other hand, apparently basing his calculations on the present depreciated value of property, estimates that the loss on winding up these several concerns will be very considerable. It must, however, be borne in mind, that since Mr. Atherton's arrival in the Colony, his opportunities of personally conferring with Mr. Hart had been few, owing to much of the short time he had been there, having been occupied in visiting all the Branches of the Bank, including the remote Branch of Adelaide, in South Australia: the Directors are, however, induced to hope, that after he has had an opportunity of duly weighing the reasons assigned for his calculations by Mr. Hart, who has had much local experience, he may feel himself justified in forming a more favourable opinion of the value of those securities, than he entertained when he addressed the Court.

With such conflicting opinions before the Directors, it is obvious that some further time must be permitted to elapse, and greater progress made in winding up the old accounts, before they can hope to be able to submit any estimate of losses that can be relied upon; and in the prudence of this course, they look confidently for the support of the Proprietors.

Were sales of Properties held by the Bank to be forced, there can be no doubt that a very serious sacrifice must be submitted to, in the present state of the Colonies; a course which the Directors are not prepared to sanction, though they have given instructions, that no favourable opportunity of effecting realizations shall be neglected.

The following Abstract exhibits the operations of account embraced in this Report:—

Nett Profits in the Colonies and in London, for the year ending 11th October, 1847, after deducting all expenses of management	£50,369 17 10
Deduct deficiency on Bad Debt Fund, at	

	Brought forward	£50,369	17	10	
12th October, 1846, as shown in last Report		£8,124	13	0	
Law Expenses in the suit against the Bank of Australia		1,261	5	1	
Irrecoverable Debts written off this year, in London and the Colonies		7,068	10	5	
			16,454	8	6
Balance on Bad Debt Fund not yet appropriated		£33,915	9	4	

The Directors cannot encourage the expectation, that this sum will suffice to provide for the whole losses that may hereafter arise on Secured Accounts, and other Dependencies, which cannot at present be realized, or wound up; neither, as already explained, are they in a position to form any correct estimate of the amount by which the Fund may be exceeded by such losses, as that must depend on the future welfare of the Colonies.

They beg, however, to remind the Proprietors, that the arrears of interest due by the Bank of Australia upon their debt, and not yet introduced into the Accounts, as well as the costs of the action to be recovered at Sydney, will form a considerable augmentation to that Fund.

The Assets and Liabilities of the Bank at the Balance of October, 1847, stood as follows :

Assets—Government Stock, Specie, and Cash, £326,729 16s. 1d.; Bank Premises, £23,516 3s. 11d.; Bills Receivable, and other Securities, £1,472,984 4s. 8d. Total £1,823,230 4 8

Liabilities—Capital, £900,000; Circulation, £106,931; Bills Payable, and other Liabilities, £226,519 7s. 9d.; Deposits, £536,328 0s. 10d.; Suspense Interest Account, £19,536 6s. 9d.; Bad Debt Fund, £33,915 9s. 4d. Total £1,823,230 4 8

UNION BANK OF AUSTRALIA.

At the tenth annual meeting, held 17th July ulto., at the offices of the establishment, in Old Broad-street, Mr. Robt. Carter read the report and statement of accounts, which were as follows :—

“In presenting their tenth annual report, the directors feel that they may, without hesitation, congratulate the proprietors of the Union Bank of Australia upon the position which the bank has attained both at home and in the colonies.

The system of business which they have adopted, and which their inspector has very ably carried out, has been tried during the occurrence of many of those vicissitudes in the commercial world by which banking institutions are more or less affected, and it has stood the test—the capital has been reserved for the purpose of aiding the legitimate wants of trade, and the bank's advances restricted within such prudent limits as are calculated to guard against any very heavy losses. The events of every day have confirmed, in the minds of the directors, the importance of a steady adherence to these principles.

In their supplementary report, presented in January last, the directors briefly communicated the substance of Mr. M'Laren's very satisfactory report of inspection, made on his return from visiting the branches in Van Diemen's Land and New South Wales.

The accounts since received from the managers fully justify that report; and although the depressed state of the wool market in England, in addition to the high price of labour in Australia, must for a time press heavily upon the the colonial settlers and the trade, yet the directors are glad to be able to state,

from their recent advices, that the inspector and managers are prepared for the events that may arise, and are prudently adopting measures to protect the interests of the bank.

The steps taken by government to promote emigration will afford most timely and important relief to the colonies, and it is very gratifying to the directors to find that the value and necessity of a well-regulated system of emigration and colonisation is fully recognised by the legislature at home, and felt by every one who understands the mutual interests and relative circumstances of the colonies and the mother country.

The improvement which has taken place in the internal condition and general circumstances of the New Zealand colonies, has induced the inspector to open a branch at Auckland, the seat of government, to which Mr. Alexander Kennedy has been appointed manager. The branch had only commenced its operations at the date of the last advices.

Of the present position of the affairs of the bank generally, and the zeal and prudence manifested by our inspector, the local directors, and managers, the directors are gratified in expressing their entire satisfaction.

James Bush Smith and B. E. Lindo, Esqrs., two of the present directors, retire by rotation, and offer themselves for re-election at this general meeting.

The directors now proceed to submit their annual statement of accounts, the general result of which enables them to declare a dividend at the rate of 6 per cent. per annum on the entire paid-up capital of the bank, to be payable in London on the 1st of August, and in the colonies as soon as the inspector shall fix after receipt of advices.

The dividend will be paid free of income tax, and, in order to equalize the division, 7d. in the pound will be added upon such dividends as are paid in the colonies.

LIABILITIES.

Bills payable	£107,072	5	0
Sundry balances	4,358	5	7
Reserve fund (10 per cent.)	£56,384	16	1
Profit and loss	45,863	13	2
	102,248	9	3
Paid-up capital	820,000	0	0
	£1,033,678	19	10

ASSETS.

Branch accounts (balance)	£426,686	5	0
Bills receivable	123,652	6	10
Investments, government stock, and loans on security	464,269	7	7
Insurances and open policies, &c.	9,027	14	2
Cash	10,043	6	3
	£1,033,678	19	10

STATEMENT OF PROFITS.

Balance of undivided profit at June, 1847	£37,677	10	11
To which are now to be added profits for the year ending at the branches 31st December, 1847, and at London Office, 30th June, 1848, after deducting amount of bad debts to the above mentioned date	£63,762	6	11
Deduct one-tenth for reserve fund	6,376	4	8
	57,386	2	3
	£95,063	13	2

	Brought forward	£95,063	13	2
Deduct dividend paid at Midsummer, 1847	£24,600	0	0	
Ditto ditto Christmas	24,600	0	0	
		£49,200	0	0
Balance of undivided profit at this date		£45,863	13	2
RESERVE FUND.				
At June, 1847, as per statement	£50,008	11	5	
Add to June, 1848, as per contra	6,376	4	8	
	£56,384	16	1	

The report was unanimously adopted; and after the re-election of the directors retiring by rotation, votes of thanks were passed to the directors and chief officers for their services.

SOUTH AUSTRALIAN BANKING COMPANY.

At the seventh Annual Meeting, held on Tuesday, 27th June last, at the offices of the bank, London, the directors presented the following report:—

“The extended emigration to South Australia, and the consequent increase of its general commerce, still further promoted by the successful working of several mines, have made the past year one of great activity; and have called into ready employment the entire capital of this Company, although scarcely sufficient time has elapsed to realise the full profits to be expected therefrom.

Wishing to preserve their former plan of having the Colonial Assets most strictly examined, that no doubtful amounts might be reckoned in the balance sheet, suitable instructions were renewed to the local directors and manager; and in his report upon the annual return for 29th November last, Mr. Stephens states, that ‘the most careful examination has been made by the local board into every item of the bank’s assets, subjecting the whole to that rigid scrutiny ordered to be adopted; and after mature consideration it has been unanimously resolved to pass to loss the few insignificant items which are included in the profit and loss account.’

During the past year, a continued progress has been made in recovering doubtful debts, (formerly written off,) and in realising securities taken in the earlier period of the Colony. The home debt of the South Australian Company has been wholly paid off, and the bank’s funds are being concentrated in assets readily available for all its operations.

The summary of the General Profit and Loss Account is as follows, viz.—

Amount of undivided profits on 31st May, 1847, £11,600 19s. 11d.	
less appropriated to preliminary expenses, and reserve fund, £2,600	£9,000 19 11
Amount formerly placed to contingent account, being reserved from profits until the interest, &c., allowed to Government on Land Fund Account had been debited at Adelaide.	1,000 0 0
Nett total of profits at Adelaide and London for 1847-8, after every deduction, including the amount of the aforesaid interest on the Land Fund, and all expenses of the Charter of Incorporation	9,014 9 4
	£19,015 9 3

	Brought forward	£19,015	9	3
From which deduct dividend paid in July ..	£4,114	8	3	
Ditto ditto in January	4,503	2	6	
Income Tax paid on former dividend to pro- prietors	189	2	7	
Dividend on Colonial shares	12	5	8	8,118 19 0
Balance of undivided profits on 29th May, 1848	..	£10,196	10	3

The directors were unwilling to re-open the preliminary expenses' account, and have therefore preferred at once debiting to charges account 1847-8, the whole cost of the charter, and leaving preliminary expenses' account undisturbed, rather than alter it by cross entries. For this reason the preliminary expenses' account will, until the next balance, remain at £10,000.

From the foregoing balance of nett profit, viz.—£10,196 10s. 3d., the directors recommend that £1,019 13s. or 10 per cent. (as by the charter and deed of settlement) be added to the reserve fund, which will then be about £3,100; and that from the balance, a dividend of 5 per cent. per annum, clear of income tax, upon the capital, be made payable half-yearly, in July and January next, as usual.

The annual accounts to 29th ultimo, have been duly audited, and will now be submitted for confirmation.

A statement of the average weekly assets and liabilities of the Colonial establishment, to 29th November (the date of the balance), will also be read for your information.

The Directors vacating by rotation, are William Chippindale, Esq., and J. R. Todd, Esq. The Auditors, J. Brown, Esq., and F. Ladbrooke, Esq., also retire pursuant to the charter and deed of settlement; but all these gentlemen, being eligible for re-election, offer themselves accordingly.

The local board at Adelaide still consists of G. Morphett, Esq., R. F. Newland, Esq., and E. J. S. Trimmer, Esq., for whose efficient services your thanks are due. And the court have pleasure in again reporting the constant efforts of the Adelaide manager, Edward Stephens, Esq., for the prosperity of the bank.

In September last Her Majesty's government granted the long-desired charter of incorporation, and you now meet under its provisions. It has been issued on terms likely to prove beneficial to the future interests of the company.

During the year of unparalleled commercial embarrassment, which has occurred since the last meeting, it could scarcely be expected that this bank should escape without some bad debts; and the court of directors have had much additional trouble and anxiety in conducting its affairs; but they have pleasure in announcing that the company has emerged safely from several operations which threatened considerable loss.

The prospects now are, that the cautious system of management under which the business is conducted, and the growing trade of the colony, will soon yield larger returns for the capital of the company.

The report was unanimously adopted, and the directors and auditors retiring re-elected: after which votes of thanks were given to the directors, and to Mr. E. J. Wheeler, the manager, and other officers of the bank for their valuable services.

The following is the half-yearly statement of the average weekly amount of the liabilities and assets of the South Australian banking company, in the province of South Australia, from 1st June, 1847, to 29th November, 1847, both days inclusive:—

LIABILITIES.

Notes in circulation not bearing interest ..	£17,084	12	8
Bills in circulation not bearing interest	3,140	11	1
Bills and notes in circulation bearing interest ..		"	"
Balances due to other banks and agents	947	15	0
Cash deposited not bearing interest	50,513	0	8
Cash deposited bearing interest	13,269	6	4
Total liabilities	£84,955	5	9

ASSETS.

Gold, silver, and other metals	£68,024	0	3
Landed property (bank premises, &c.)	7,869	1	0
Bills of other banks		"	"
Balances due from other banks and agents	12,698	12	"
Debts due to the bank, including bills, notes, securities, &c.	173,338	18	2
Total assets	£261,930	12	2

Bank of South Australia, Adelaide.
1st, December, 1847.

EDW. STEPHENS, Manager.
GEO. TINLINE, Accountant.

CARLISLE CITY AND DISTRICT BANK.

The Directors have declared a dividend at the rate of ten per cent. per annum, for the half year ending the 30th of June, 1848, payable on the 12th August next.

The profits during the half year, after paying all expenses, amount to £3,741 11s. 10d., being at the rate of £12 18s. 0½d. per cent. per annum on the paid up capital of £58,000. Ten per cent., or £300, has been written off against "Bank Premises" Account, and the balance of £541 11s. 10d. transferred to Auxiliary Fund, which, after paying the dividend and income tax, now amounts to £660 15s. 9d. The Guarantee Fund remains complete at £19,333 6s. 8d.

No losses have been sustained during the half year.

CLYDESDALE BANKING COMPANY.

At the tenth annual meeting of the Clydesdale Banking Company the manager read the report, from which it appeared that the profits of the last year amounted to £66,938 17s. 3d., which, after paying the usual dividend of 6½ per cent. clear of income tax, left a surplus of £16,545 0s. 3d.; but as the losses for last year (with all the bad debts from the commencement which had not been previously written off), amounted to £25,000, there was required a sum of £8,454 19s. 9d., in addition to that surplus, to wipe off entirely the bad debts. It was not, however, proposed to deduct that sum from the reserved surplus fund (now amounting to £150,497 0s. 8d.), in the hope that during next year that small balance would be paid out of the profits. The usual thanks were voted to Mr. Brock and the other chief officers of the bank.

FINANCIAL CONDITION OF THE BANK OF FRANCE.

	At 29th June.		At 13th July.	
	f.	c.	f.	c.
ASSETS.				
Cash and Ingots	80,488,317	45	86,520,320	64
Cash at the branch banks	72,152,058	2	72,567,761	0
Overdue bills	7,623,638	4	3,151,129	56
Bills becoming due in Paris, of which 27,305,278f. are from the branch banks	114,730,362	63	105,740,646	27
Bills in the branch banks	145,579,118	76	144,110,216	68
Advances on coin and ingots	10,188,200	0	13,868,300	0
Ditto on public securities of France	38,392,682	90	38,204,782	90
Ditto by the branch banks	3,616,581	0	3,736,191	0
Ditto to the state on Bons du Tresor of the republic	50,000,000	0	50,000,000	0
Rentes of the reserve fund	10,000,000	0	10,000,000	0
Rentes of disposable funds	11,248,967	50	11,248,767	56
Investments of the new branch banks in public securities	12,806,741	39	12,806,741	39
Hotel and furniture of the bank	4,000,000	0	4,000,000	0
Real property and branch banks	2,515,105	0	2,523,241	0
Interest in branch bank at Algiers	1,000,000	0	1,000,000	0
Interest in national discount bank	200,000	0	200,000	0
Ditto branch banks	230,000	0	230,000	0
Bills protested at Paris	26,611,329	92	25,521,137	87
Ditto in the branch banks	12,516,803	0	12,498,578	0
Expenses of administration	—	—	500	0
Ditto of branch banks	21,545	0	86,217	0
Sundries	1,735,868	94	1,208,086	71
Account current with treasury	—	—	352,168	47
Total Assets	605,657,119	61	599,574,786	5
LIABILITIES.				
Capital	67,900,000	0	67,900,000	0
Ditto of the new branch banks	23,350,000	0	23,350,000	0
Reserve fund	10,000,000	0	10,000,000	0
Ditto of the branch banks	2,980,650	14	2,980,650	14
Reserve immobiliere	4,000,000	0	4,000,000	0
Notes to bearer, in circulation	298,736,200	0	304,511,900	0
Ditto of branch banks	76,397,175	0	71,749,175	0
Ditto to order (post bills)	423,048	86	481,273	56
Account current with treasury	9,794,372	15	—	—
Various accounts current	75,733,437	54	78,205,658	44
Ditto branch banks	21,322,213	0	21,609,606	0
Bills payable at sight	1,915,500	0	2,246,500	0
Ditto branch banks	311,709	0	1,165,736	0
Bills of branch banks to be paid by the bank	4,693,633	99	4,262,707	65
Ditto of the bank to be paid by branch banks	1,702,076	0	1,844,013	0
Dividends to be paid	2,884,999	25	1,488,001	25
Branch bank of Algiers, sum not yet employed in treasury bonds	1,108,388	19	1,108,388	19
Discounts, interest, and expenses	454,060	74	657,144	96
Ditto branch banks	239,183	0	527,482	0
Re-discounts of the last half year	422,932	27	422,932	27
Ditto branch banks	820,176	0	640,730	0
Sundries	467,364	48	459,884	59
Total Liabilities	605,657,119	61	599,574,786	5

Notes of the Month.

THE GALWAY INDUSTRIAL SOCIETY.—Last year we called attention to this excellent charity for providing employment for the industrious female poor of Ireland. It still continues its operations with increased success, and we are glad to be able to call the attention of our readers to the following notice of its merits, which appears in our powerful contemporary *The Times*. The editor of the city article says :—

“A proof that it is by the patient and unobtrusive efforts of private bodies, each limiting its operations to the wants of its own district, that the most permanent aid can be given to the Irish poor, is furnished by a report just transmitted to us of the Galway Industrial Society, established during the famine of last year. The main object of this society was to provide a channel for the industry of the female poor by opening a store where they might depend upon finding a sale for the various articles of knit hosiery, flannel, linen, &c., within the compass of their skill. About £850 was accordingly collected, out of which the work of the peasantry from the surrounding districts was purchased as it was brought in. At first raw material, such as wool, was distributed to the applicants to be manufactured, but they spoiled more than they made, and this was discontinued. More care and frugality being exercised when they were using their own material, an improvement soon took place, until, such was the industry exercised, and so great the need for the outlet now afforded, that hundreds of women came five, ten, or even fifteen Irish miles into Galway, with a single pair of stockings, which they would gladly dispose of for 1s., after having employed 6d. worth of material and four days in their construction; and, as the committee ultimately had the good sense, even in the face of these trying circumstances, to exercise the unpopular philanthropy of rejecting such articles as were so ill-made as to be unmarketable, a constant stimulus to improvement was presented, and hence before long many of the workers acquired a proficiency enabling them to earn four times the amount they could obtain in the first instance. A curious illustration of the way in which waste of labour may be averted by the existence of a known and central market was likewise furnished in the fact, that mealmongers, pedlars, and others would at last take the articles manufactured in exchange for their goods, and thus render unnecessary the toil of the journey to the town. It is also to be remarked that the efforts of the society seem to have been greatly furthered by the donations and active co-operation of parties at New York, Boston, and Providence, in Rhode Island, to whom a considerable portion of the articles have been forwarded, and whose exertions in the present and in many other similar instances afford a far truer exposition of the feelings of the people of the United States as regards England and Ireland, than can be obtained from the cheap newspapers or the speeches at political meetings in that country.

“The committee calculate, that after having disbursed £1,000 among the destitute objects of their charity, their total loss during the year has only been £45; but, as a considerable portion of goods still remains to be realized, it will, we apprehend, probably exceed that amount. Even, however, if the loss had been much larger, it would have been well incurred, since it is by proceedings such as these that those habits are awakened and sustained on the part of a population which ultimately tempt capitalists to turn them to more profitable account. The society still continues its operations, and the following are extracts from its report :—

“It having been objected to the society, that the low rate of wages received by the greater number of the poor in its employment is not sufficient remuneration for the time and trouble spent upon the execution of the different articles, the committee beg to state that the market for female labour in Connaught is so low that female servants in most of the poorer families do not receive more

than from 2s. to 7s. a-quarter, from $\frac{1}{2}$ d. to 1d. a-day, and that at the present moment many thousands would gladly work for their food; and that, therefore, any means by which their time may be turned into money, no matter how small the amount, would be of service to the poor; and the great number who have most reluctantly been refused employment by the Galway Industrial Society, are sufficient proof that the poor consider 1d. a-day worth working for.

"When taking into consideration the extreme suffering of the past year, the committee consider that the loss of such a sum as £45 is but trifling compared to the good they have accomplished. By the loss of this sum they have enabled charity to penetrate into scenes of misery it would be impossible to delineate.

"They will not venture to shock the reader by an attempt to describe the awful wretchedness that still exists in Connaught, and will exist, in all human probability, for years to come; the newspapers of the day speak of the sufferings of the peasantry, but they do not mention the utter and hopeless misery of a class of women in a better rank of life, who have been reduced by the famine from comfort to the direst poverty, who, too proud to beg or seek public relief, remain in their lonely homes, suffering cold and hunger, almost unknown, even to their friends."

We need only add to the above, that we shall be happy to receive any subscriptions for the charity; and Mr. Hyde, the honorary secretary, (National Bank of Ireland, at Kells,) will furnish any particulars that may be required. From the list of contributors, we observe that the bankers have been the largest donors.

THE JOINT-STOCK BANKS OF LONDON.—The half-yearly meetings of the various London Joint-Stock Banks having now been completed, we are enabled to give the following summary of their comparative positions:—

BANKS.	Paid up Capital.	Deposits, &c.		Guarantee Fund.	Dividend this Half Year.
		Preceding Half Year.	This Half Year.		
	£	£	£	£	£
London and Westminster, established 1834 (five branches)	998,179	2,747,236	3,170,119	95,486	3 per cent.
London Joint-Stock, Established 1836 (one branch)	600,000	1,971,912	2,232,265	123,759*	3 per cent.
Union of London, established 1839 (two branches)	422,900	2,510,064	2,644,728	50,000†	3 per cent.
London and County, established 1839 (44 branches); annual report presented in February	200,600	1,225,120	—	25,616	—
Commercial, established in 1840 (one branch)	128,280	409,925	406,218	17,386	3 per cent.

* And £15,490 unappropriated.

† And £4,309 unappropriated.

STAMPS ON BILLS OF EXCHANGE, &c.

A Parliamentary return of the amount of duties received in the several years, between the year 1801 and the year 1819, for stamps on bills of exchange or promissory notes and bank notes; and a like return from the year 1820 to the year 1846, both inclusive, give the following particulars.

Year 1801....		Year 1820....	£697,505 15 2
" 1802....		" 1821....	691,335 7 9
" 1803....		" 1822....	668,056 14 4
" 1804....	Not distinguished from other duties in the accounts of the office.	" 1823....	681,881 0 2
" 1805....		" 1824....	723,920 0 3
" 1806....		" 1825....	790,870 8 5
" 1807....		" 1826....	578,814 14 6
" 1808....		" 1827....	582,097 15 10
" 1809....		" 1828....	604,865 1 8
" 1810....	£738,798 9 0	" 1829....	594,326 2 11
" 1811....	679,839 0 9	" 1830....	569,159 12 2
" 1812....	691,043 19 4	" 1831....	579,016 3 3
" 1813....	719,897 1 6	" 1832....	545,801 3 1
" 1814....	713,838 2 1	" 1833....	565,342 2 6
" 1815....	841,459 4 1	" 1834....	548,054 0 11
" 1816....	754,500 18 0	" 1835....	572,410 1 0
" 1817....	795,939 9 9	" 1836....	640,475 2 6
" 1818....	845,749 15 0	" 1837....	620,706 15 6
" 1819....	738,974 7 11	" 1838....	646,430 7 5
		" 1839....	691,443 12 4
		" 1840....	685,424 1 6
		" 1841....	660,153 17 0
		" 1842....	589,394 17 6
		" 1843....	564,443 9 0
		" 1844....	576,729 8 4
		" 1845....	558,586 8 9
		" 1846....	571,842 10 1

THE EQUITABLE ASSURANCE COMPANY.—The general cash account of the Equitable Assurance Society for 1847, which has just been issued, presents, as usual, a series of totals which are remarkable for their magnitude. The amount of Consols and Reduced held by the society is 5,150,000*l.*, and their loans on mortgage are 4,235,426*l.* The claims paid on policies during the past year were 342,789*l.*, exclusive of additions, which amounted to 371,318*l.*; and a sum of 69,444*l.* was also paid for policies and additions surrendered. The number of new assurances effected was 176, representing a principal of 209,300*l.*, together with annuities for 506*l.* The premiums on these were 6,766*l.*, while the premiums on old assurances were 259,408*l.* In the course of the twelve months the society have sold 515,000*l.* stock (three per cents.) at an average price of about 86½, and on the other hand they have advanced on mortgage a total of 229,000*l.* The income-tax paid by the society considerably exceeds the entire expenses of their establishment—the former being 9,169*l.*, while the latter are only 7,400*l.*

ALTERATIONS IN THE BUILDING OF THE BANK OF ENGLAND.—Preparations have begun for raising all the fronts of the Bank of England about six feet with ornamental stone work, in order to render the structure more in harmony with the adjoining buildings, and also, it is said, in order to afford cover to the forces employed in defending the Bank against any attack that may be made on it.

FRAUD BY A BANK MANAGER.—The manager of the branch bank of the Lincoln and Lindsey Banking Company, at Brigg, has decamped, taking away with him, it is said, about £8,000 of bank capital. The manager's name is Sylvester, and he was, we hear, formerly a schoolmaster at Bourn. Dabbling in railway shares is said to have been the ruin of Sylvester. Five individuals in Boston gave security for him to the amount of £5,000, which some of them will have to pay, under circumstances of peculiar hardship, if not utter ruin.—*Stamford Mercury*.

THE PARLIAMENTARY COMMITTEE ON THE IRISH SAVINGS' BANKS.—The Bill to amend the Savings' Banks Laws, to which reference was made in the "Notes of the Month" in our last number, still lingers either in the bureau of Mr. Tidd Pratt, the Law Officer, or in that of the Chancellor of the Exchequer. Meanwhile so strong has been the conviction that some alteration of those laws is necessary, without loss of time, as regards Ireland at least, that a Select Committee of the House of Commons was appointed on 25th ulto., on the motion of the member for Kerry, to inquire into and report on the laws regulating Savings' Banks in Ireland, with a view to their amendment. As these laws are the same as those which regulate the Savings' Banks in the other parts of the United Kingdom, the inquiry must affect the system of the whole, and from the names of the members nominated on the committee, among whom are men perfectly conversant with it in all its details of finance, and its proper applicability to the wants of the industrious classes, such as Mr. Herries, Sir James Graham, Mr. Poulett Scrope, Mr. Hume, Mr. Goulburn, the Chancellor of the Exchequer, and Mr. Gibson Craig, the most satisfactory results may be anticipated from their labours. Considering the late period of the session, it is, however, hardly to be expected that the inquiry will be terminated before the prorogation; indeed the subject is too important, and involves too many interests, to make any hasty legislation on it desirable. The proposals understood to be contained in Mr. Tidd Pratt's draft of a bill, to restrict the amount of deposits, and to enforce the responsibility of trustees and managers, have already excited the most decided opposition on the part of the Savings' Banks officers, amounting even to threats of demanding from the government the refunding of some millions of the deposits, for the purpose of returning them to the depositors, and of thus dissolving some of the institutions. Insinuations have also been most ungenerously thrown out that an amendment of the laws has been proposed by the Law Officer of the Savings' Banks, chiefly for the sake of his pecuniary advantage, he receiving a fee on any alteration of the rules of those institutions. A more competent tribunal to decide between the conflicting opinions of the National Debt Commissioners and Mr. Tidd Pratt on the one part, and the officers of the Savings' Banks on the other part, cannot therefore be found than an unbiassed and independent Committee of the House of Commons, composed of a proper proportion of members, representatives of places in England, Scotland, and Ireland.

MESSRS. BRODIE & Co., late of Salisbury, bankers, who stopped payment during the last autumn, and subsequently became bankrupts, and whose balance-sheet will be found in our present Number, passed their last examination on the 27th July ult., and obtained their certificates.

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF JULY, 1848.

THE symptoms of revival, which had begun to show themselves during last month, have become more palpable and apparent during the progress of the present. As far as the mere market for capital is concerned, there have been few periods when the wants of borrowers on reasonable security have been more readily met, or met on lower terms. This facility of the rates of interest has in reality become a subject of remark, and there is again the old complaint that money cannot find a secure and adequate outlet. If the monthly drafts, kept up by the railways, should be put an end to, we must suppose that these complaints would assail us with increased vehemence, and from a greater variety of quarters. The average amount of the railway calls for the last three or four months has been within a trifle as large as it was last year. The country, in fact, is sustaining an expenditure of more than 30 millions a-year. The existence of so immense a source of demand, and the prevalence of a rate of interest not much beyond 2 per cent., may reasonably suggest a doubt of the solidity of the outcry raised against the railway expenditure of 1847. We have always admitted, in these pages, that, carried beyond a certain point, the railway calls would be simply impossible. The entire difficulty turns upon this certain point, and we suspect that by this time most practical people are agreed that neither during last year nor the present, looking at the question free from *extraneous* complications, has this extreme limit been ever attained.

A history of the consol market during the month would be an exceedingly chequered narrative. Starting at 83 to 84, the price was run up to 89 by the aid of fine weather, improved trade, and the payment of the dividends. At the time we write the quotations are down to 85, and the alleged reasons are the prospect of an Irish rebellion, the continuance of wet weather, and, we dare say, the example of a few leading men who have suddenly become "bears." The railway share market has sympathised very closely—but in a manner less diversified by excitement and extremes—with the condition of the public funds.

Immediately subsequent to the events of February, we inserted a short comparative table of the prices of the leading foreign funds before and subsequent to that cycle of extraordinary occurrences. The following figures will enable us to form an opinion as to how far the violent depreciation of property then incurred has been removed by restoration of confidence.

	18th February, 1848.	24th March, 1848.	31st July, 1848.
Dutch 2½ per Cents. ..	54½	40	45
Do. 4 per Cent. Certificates. ..	85½	61	72
Russian Bonds, 5 per Cents. ..	111	87	100
Belgian do. 4½ „ ..	90	58	71
French Rentes, 5 „ ..	117	65	76
Do. do. 3 „ ..	74	51	46
Bank of France Shares ..	3,190	1,600	1,600

The securities of the French government stand in by far the worst position in this list, nor is it likely that this position will be improved by the present financial dilemma of the republican government. The original loan of 50,000,000 of francs by the Bank of France in March last, was recently extended to 150,000,000 of francs. Even this respectable sum is now exhausted, and the Minister of Finance has, during the last few days, obtained the consent

of the Assembly to a project for a new loan, by the creation of *five* per cent. *rentes* equal to an annual charge of 13,131,000 francs. These *rentes* are to be sold to the public at the rate of 75 f. 25 c. for every 100 francs of *rente*. Supposing the whole of the *rentes* to be disposed of at this rate, the result would be that a gross loan of about 200,000,000 francs (say £8,000,000) would be raised at a rate of very nearly 6½ per cent. per annum. The forfeited deposits upon the last loan are to be available in the subscription, and with the help of this resource it is just possible that the French people may be able and willing to entrust their new government with the money. Nobody seems to expect that foreign capitalists will extensively interfere. The escape of the railways from confiscation is somewhat too fresh in the memory of the creditors of France to permit such an expectation.

THE STATE OF TRADE.

There can be no longer any question whatever that the trade of the country during the last four or five weeks has undergone a most decided change for the better. There is both more business in hand and for a greater number of places. We refer with the greatest pleasure to the following returns of the Manchester mills.

	Mills.		Work people.	
	30th June, 1848.	10th July.	30th June, 1848.	10th July.
Working full time ..	135 ..	167 ..	29,745 ..	34,891
Working short time ..	43 ..	27 ..	6,274 ..	3,345
Stopped work ..	25 ..	17 ..	8,403 ..	6,497
	<u>203</u>	<u>211</u>	<u>44,422</u>	<u>44,733</u>

THE CORN TRADE.

The *Gazette* averages for England and Wales have been :—

Weeks ended, 1848.	Qrs. sold.	Weekly average.		Six Weeks' average.		Duty.		Corresponding Six Weeks' Last Year.	
		s.	d.	s.	d.	s.	d.	s.	d.
June 17 ..	99,532 ..	46	10	48	1	9	0	93	9
" 24 ..	108,507 ..	46	11	47	7	10	0	94	10
July 1 ..	104,736 ..	48	2	47	7	"	"	93	6
" 8 ..	116,209 ..	48	10	47	9	"	"	90	2
" 15 ..	113,478 ..	49	1	47	11	"	"	85	10

The state of the weather since we last wrote has produced a considerable change in the opinions we then expressed as to the probable out-turn of the harvest. The early part of the month was highly seasonable: and the progress of the crops was everything that could be desired. This is a statement which cannot be made with reference to the last fortnight (we write on the 27th July). In the south of England at least the temperature has been low and variable, there has been a continuance of heavy rain and disagreeable gusty wind. These are conditions of climate, which at this period of the year must produce a bad effect upon corn fields. In addition to these reasons for disquietude, there has been the reappearance of the potato disease in nearly all parts of the United Kingdom, but as far as we can collect, principally in the southern counties. The authenticity of these reports cannot, we regret to say, be called in question. Of course there are exaggerations here and there, but of the existence of the disease, as a fact, there is no room for scepticism. It must be borne in mind, however, as some counterpoise to these reports,

that the breadth of the potato lands this year is represented on all hands as being much beyond the average quantity of land devoted to the culture of that vegetable. Combining together all the elements of the problem as they stand at present, some of the best authorities on the corn market are reluctantly led to the conclusion that the balance of probabilities is against a favourable result of the harvest in these islands. It is premature to venture upon any specific estimate of the deficiency; but it is feared, in a milder or darker form, it will be a deficiency, and not a surplus, we shall have to deal with in October next. It must be borne in mind, however, that so much depends upon the state of the weather for the next week or two, that it is quite impossible to form any definite opinion on the subject; and we only give the views of the parties referred to, because they are those which appear to regulate the market at present.

BANK OF ENGLAND.

The Bank's returns have been :—

Date. 1848.	Circulation.	Public Deposits.	LIABILITIES.		Total Deposits.	Rest.	Total Liabilities.
			Private Deposits.				
June 17	18.39 ..	5.91 ..	9.16 ..		15.07 ..	3.39 ..	36.85
" 24	18.54 ..	6.60 ..	8.85 ..		15.45 ..	3.40 ..	37.39
July 1	18.62 ..	6.60 ..	9.02 ..		15.62 ..	3.41 ..	37.65
" 8	19.50 ..	4.11 ..	11.58 ..		15.69 ..	3.47 ..	38.66
" 15	20.29 ..	2.62 ..	11.70 ..		14.32 ..	3.49 ..	38.12

Date. 1848.	Public Securities.	Private Securities.	ASSETS.		Bullion in Issue De- partment.	Total Bullion.	Total Assets.
			Bullion in Banking De- partment.				
June 17	12.09 ..	10.59 ..	10.79 ..		3.38 ..	14.17 ..	36.85
" 24	12.41 ..	10.67 ..	10.78 ..		3.53 ..	14.31 ..	37.39
July 1	12.52 ..	10.71 ..	10.84 ..		3.58 ..	14.42 ..	37.65
" 8	13.60 ..	10.70 ..	9.99 ..		3.37 ..	14.36 ..	38.66
" 15	13.21 ..	10.64 ..	9.12 ..		5.14 ..	14.26 ..	38.12

There is exceedingly little to be said on the appearance of these figures, or on the general state of the money market. The *minimum* rate at the bank remains at $3\frac{1}{2}$ per cent., but that the value of capital out of doors is considerably less than $3\frac{1}{2}$, is abundantly attested by the state of the private securities in the asset side of the return. These securities have tended rather to diminution than extension, and so small have been the outgoings of the discount office, that the directors have been buyers of funded property at the high figure of the dividend week. This is a line of business on the part of the bank which we candidly confess we can never precisely understand. It may be an inevitable, but it always appears to us to be an awkward necessity, that the Bank should come out as a buyer so very often when it has to meet a prepared market, and come out as a seller when a reaction has taken place. We offer no opinion, because we do not know all the facts, but we cannot help recalling the banking maxim—rather to lose a few weeks' interest than run the risk of a depreciation from high prices and inflated premiums. In the present state of the weather we read with peculiar satisfaction that the total bullion is $14\frac{1}{2}$ millions, and the reserve $9\frac{1}{2}$ millions.

	27	28	29	30	1	3	4	5	6	7	8	10	11	12	13	14	15	17	18	19	20	21	22	24	25	26	27
Bank Stock (div. 9 per Ct.).	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 per Ct. Red. Anna.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 per cent. Consols Anna.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 per cent. Anna. 1796	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 1/2 per cent. Anna.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New 5 per cent. Anna.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Anna. Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ditto 30 years, Jan. 5, 1860	-	-	-	-	-																						

Latent Price: 11

	£40 ab.	£40	Opd.	£16
Australia	-	50	41	-
British North American	-	100	20	0
Commercial of London	-	100	20	0
London and Westminster	-	100	20	0
Ditto, New	-	50	10	0
Ditto, New	-	50	10	0
London Joint Stock	-	100	25	0
Provincial of Ireland	-	10	10	0
1840, New	-	50	23	10
National of Ireland	-	100	35	0
National Provincial of England	-	50	10	0
Ditto, New	-	50	10	0
Union of Australia	-	50	10	0
Union of London	-	100	20	0
Glasgow	-	100	20	0

Austrian Bonds: 5 per Cent.

Austrian Bonds, 8 per Cent.
 Belgian Bonds, $4\frac{1}{2}$ per Cent.
 Brazilian Bonds, 5 per Cent.
 Buenos Ayres Bonds, 6 per Cent.
 Cuba Bonds, 6 per Cent.
 Chilean Bonds, 6 per Cent.
 Columbian Bonds, Deferred.
 Danish 3 per Cent.
 Greek Bonds 1894—25, 5 per Cent.
 Guayaquil
 Mexican 5 per Cent, 1840—
 Peruvian Bonds, 6 per Cent.
 Brazilian Bonds, 4 per Cent.

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. June 24th.	1848. July 1st.	1848. July 8th.	1848. July 15th.
Notes issued	£ 27,536,565	£ 27,646,055	£ 27,673,050	£ 27,593,690
Government debt	11,015,100	11,015,100	11,015,100	11,015,100
Other securities	2,984,900	2,984,900	2,984,900	2,984,900
Gold coin and bullion	12,131,567	12,238,057	12,244,552	12,184,014
Silver bullion	1,404,998	1,407,998	1,428,498	1,409,670
	27,536,565	27,646,055	27,673,050	27,593,690

BANKING DEPARTMENT.

	1848. June 24th.	1848. July 1st.	1848. July 8th.	1848. July 15th.
Proprietors' capital	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve	3,400,930	3,414,255	3,470,610	3,492,114
Public deposits (including Exchequer, Savings' Banks, Commissioners of National Debt, and Dividend Accounts)	6,600,957	6,603,239	4,113,230	3,621,157
Other deposits	8,853,600	9,019,944	11,680,598	11,709,054
Seven day and other bills	1,010,888	1,035,774	1,157,663	1,150,477
	34,419,375	34,626,212	34,855,101	33,825,802
Government securities (including Dead Weight Annuity)	12,411,301	12,522,645	12,602,546	12,307,546
Other securities	11,229,195	11,266,399	11,255,437	11,200,140
Notes	10,807,630	10,064,970	9,312,185	8,448,630
Gold and silver coin	771,249	773,198	684,943	669,496
	34,419,375	34,626,212	34,855,101	33,825,802

The Exchanges.

	June 30th.	July 7th.	July 14th.	July 21st.
Amsterdam, 3 months	12 3½	12 3	12 2½	12 2½
Ditto at sight	—	12½	12	12
Rotterdam, short	12 4	12 3½	12 2½	12 2½
Antwerp, 3 months	26 5	—	—	26 80
Hamburg, ditto	13 12½	13 11½	13 11	13 11½
Paris, short	25 60	25 55	25 45	25 50
Paris, 3 months	25 90	—	—	—
Marseilles, ditto	—	—	25 90	25 80
Bordeaux, ditto	—	—	—	—
Frankfort, ditto	122½	122½	121½	121½
Vienna, ditto	—	—	11 50	11 50
Trieste, ditto	—	—	—	11 50
Madrid, ditto	40	—	—	42
Cadix, ditto	—	47½	43½	48
Lisbon, ditto	—	31 50	31 50	31 50
Genoa, ditto	—	—	25 95	25 90
Naples, ditto	—	35½	—	36½
Palermo, ditto	—	—	—	—
Messina, ditto	—	—	—	—
Lisbon, 60 days' date	52	51½	52	52
Opporto, ditto	52½	52½	52½	52½
San Francisco, ditto	—	—	—	—

Bankers' Magazine Appendix, August, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		May 27.	June 2.	June 10.	June 17.
	£	£	£	£	£
1 Andover Bank	17,751	11,044	10,083	10,600	10,935
2 Ashford Bank	11,849	8,422	7,800	9,100	8,242
3 Aylesham Bank	5,854	5,444	5,435	5,373	5,550
4 Aylesbury Old Bank	48,461	29,858	28,697	28,044	28,540
5 Baldock and Biggleswade Bank ..	37,223	27,694	28,091	27,542	27,413
6 Barnstable Bank	17,182	11,487	10,195	10,865	10,508
7 Basingstoke and Odiham Bank....	24,730	16,304	15,891	16,975	17,278
8 Bedford Bank	34,218	29,552	29,361	28,614	27,976
9 Bedford and Bedfordshire Bank ..	8,515	5,800	6,273	6,310	5,785
10 Bewdley Bank	18,597	12,738	12,591	12,357	12,042
11 Bicester and Oxfordshire Bank	27,090	14,463	14,347	14,104	14,057
12 Birmingham Bank—Attwoods & Co.	23,695	21,170	22,511	23,048	22,355
13 Birmingham and Warwickshire Bk.	18,132	13,884	13,368	12,387	11,553
14 Blandford Bank	9,723	6,235	6,093	6,011	5,916
15 Boston Bank—Garfit and Co.	75,069	75,195	72,242	70,350	69,545
16 Boston Bank—Gee and Co.	15,161	13,676	15,091	15,088	13,523
17 Bridgewater Bank	10,028	7,367	7,090	6,879	6,423
18 Bristol Bank	48,277	28,365	29,638	28,924	27,877
19 Broseley and Bridgenorth Bank ..	26,717	17,616	17,658	17,333	17,235
20 Buckingham Bank	29,657	18,623	18,401	18,073	18,933
21 Bury and Suffolk Bank	82,362	66,049	65,419	65,660	63,991
22 Banbury Bank	43,457	24,887	25,177	25,137	24,554
23 Banbury Old Bank	55,153	37,457	40,263	37,972	37,803
24 Bath City Bank	4,572	2,410	2,582	2,432	2,435
25 Bedfordshire Leighton Buzzard Bk.	36,829	29,392	29,570	28,809	28,529
26 Birmingham Bank—Taylor & Lloyds	38,816	30,698	30,545	30,062	29,714
27 Bradford Old Bank	12,676	13,218	13,146	11,990	11,300
28 Brecon Old Bank	68,271	57,720	59,810	62,808	57,327
29 Brighton Union Bank	33,794	25,355	24,482	24,593	24,847
30 Burlington and Driffield Bank	12,745	10,803	10,557	10,898	11,017
31 Bury St. Edmund's Bank	3,201	2,493	2,481	2,385	2,627
32 Bromsgrove Bank	16,799	14,165	13,600	13,382	12,981
33 Cambridge Bank—Mortlock & Son's	25,744	17,957	18,047	18,498	18,456
34 Cambridge and Cambridgeshire Bk.	49,916	43,635	43,436	44,313	44,930
35 Canterbury Bank	33,671	26,527	24,842	24,662	24,057
36 Carmarthen Bank	23,597	15,235	15,792	15,616	14,644
37 Chertsey Bank	3,436	3,601	3,048	2,994	3,065
38 Colchester Bank	25,082	15,182	15,067	15,350	15,435
39 Colchester and Essex Bank	48,704	30,734	30,478	30,940	30,859
40 Cornish Bank	49,869	33,205	33,127	33,047	32,773
41 Coventry Bank	12,045	7,272	7,111	6,974	7,147
42 City Bank, Exeter	21,527	17,205	16,896	18,180	18,026
43 Craven Bank	77,154	73,954	75,415	73,879	75,783
44 Christchurch Bank	2,840	1,914	1,920	1,855	1,822
45 Cardiff Bank	7,001	5,160	5,640	5,990	5,000
46 Chepstow Old Bank	9,387	6,200	6,841	6,016	5,730
47 Derby Bank—Messrs. Evans	13,332	11,439	12,454	11,910	11,712
48 Derby Bank—Smith and Co.	41,304	34,268	33,172	33,262	32,846
49 Derby Old Bank	27,237	23,321	23,050	23,152	24,140
50 Devizes and Wiltshire Bank	20,674	11,579	11,208	11,206	10,828
51 Diss Bank	10,657	10,301	9,674	9,572	10,410
52 Doncaster Bank and Retford Bank	77,400	56,718	55,400	55,589	55,431
53 Darlington Bank ..	86,218	76,730	73,350	73,487	73,304

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		May 27.	June 3.	June 10.	June 17.
	£	£	£	£	£
4 Devonport Bank	10,664	10,381	9,904	9,340	9,775
5 Dorchester Old Bank	48,807	39,371	39,481	40,455	39,605
6 East Cornwall Bank	112,280	84,861	87,472	85,601	84,834
7 East Riding Bank	53,392	47,970	46,954	46,479	46,879
8 Essex Bk. & Bishops Stortford Bk.	69,637	37,550	38,355	39,540	38,277
9 Exeter Bank	37,894	26,054	25,735	24,992	24,801
10 Fakenham Bank	24,293	19,067	19,078	19,165	18,451
1 Faringdon Bank & Bk. of Wantage	8,977	4,192	3,909	4,292	3,925
2 Farnham Bank	14,202	11,760	11,844	12,050	11,280
3 Faversham Bank	6,681	4,873	4,780	4,925	4,520
4 Godalming Bank	6,322	5,486	5,290	5,335	5,526
5 Grantham Bank—Kewney & King	19,401	4,820	4,752	4,518	4,325
6 Guildford Bank	14,524	12,525	12,411	11,776	11,296
7 Grantham Bank—Hardy & Co. . .	30,372	24,760	24,309	22,943	21,514
8 Hastings Old Bank	38,038	18,479	18,726	19,350	19,444
9 Hereford City and County Bank..	22,364	15,204	13,981	14,182	13,958
10 Hertford and Ware Bank	23,635	16,537	15,698	15,902	16,125
1 Hull & Kingston-upon-Hull Bank	19,979	17,205	17,286	18,135	17,848
2 Huntingdon Town & County Bank	56,591	39,025	39,544	40,116	39,008
3 Harwich Bank	5,778	4,590	4,566	4,815	4,630
4 Hemel Hempstead Bank	23,842	20,592	20,860	20,410	19,730
5 Hertfordshire, Hitchin Bank	38,764	33,593	34,093	34,293	33,079
6 Hereford, Ross, & Archenfield Bk.	27,625	18,845	18,422	19,035	18,868
7 Ipswich Bank	21,901	17,422	17,659	17,696	17,209
8 Ipswich & Needham Market Bank	80,699	65,569	64,760	65,630	64,039
9 Kentish Bank	19,895	10,095	9,297	9,192	8,513
10 Kingston and Radnorshire Bank..	26,060	19,678	19,526	19,334	19,818
1 Knighton Bank	9,090	7,209	7,210	6,835	6,883
2 Knaresborough Old Bank	21,825	20,816	20,085	19,375	19,382
3 Kendal Bank	44,663	39,840	39,303	39,742	40,097
4 Kettering Bank	9,192	6,550	6,134	6,406	6,871
5 Lane End Staffordshire Bank	5,624	5,230	5,160	5,076	5,030
6 Leeds Bank	53,357	48,682	46,228	48,956	50,128
7 Leeds Union Bank	37,459	34,489	34,164	35,263	35,241
8 Leicester Bank	32,322	25,114	24,703	23,884	23,495
9 Lewes Old Bank	44,836	28,895	28,390	27,809	27,814
10 Lichfield Bank	22,786	19,141	19,004	19,314	19,512
1 Lincoln Bank	100,342	96,646	90,745	87,660	86,707
1 Llandoverly Bank & Llandilo Bank	32,945	25,955	24,870	25,079	25,692
3 Loughborough Bank	7,359	6,613	6,715	6,450	6,085
4 Lymington Bank	5,038	3,210	3,083	2,841	2,675
5 Lynn Regis and Lincolnshire Bank	42,817	38,587	36,325	35,891	34,676
6 Lynn Regis and Norfolk Bank ..	13,917	14,059	13,439	13,311	13,040
7 Macclesfield Bank	15,760	11,230	11,113	10,466	9,825
8 Manningtree Bank	7,692	5,309	5,355	5,335	4,901
9 Marlborough Bank	19,073	11,086	11,347	11,559	12,607
10 Marlboro & North Wilts. New Bk.	12,490	7,206	6,931	6,711	6,545
1 Merionethshire Bank	10,906	8,032	8,260	7,952	6,353
12 Miners' Bank	18,688	13,553	13,219	11,643	12,057
13 Monmouthsh. Agricul. & Com. Bk.	29,335	24,669	24,021	23,905	22,684
14 Monmouth Old Bank	16,385	15,309	14,974	14,857	14,235
15 Monmouthshire Newport Old Bank	8,600	6,986	7,593	7,712	7,668
16 Newark Bank	26,788	24,316	22,576	21,735	21,560
17 Newark and Sleaford Bank	51,615	50,373	47,005	44,605	44,675
18 Newbury Bank	36,787	20,145	22,301	19,878	20,035
19 Newmarket Bank	23,098	17,788	17,067	16,053	16,350
10 Norfolk and Suffolk Bank	4,551	2,246	2,100	2,314	2,175
11 Norwich Crown Bank	46,120	36,539	36,37	36,237	35,112

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		May 27.	June 3.	June 10.	June 17.
	£	£	£	£	£
112 Norwich and Norfolk Bank.....	75,372	59,185	59,680	60,240	60,009
113 Nottingham & Nottinghamsh. Bk.	10,866	8,895	9,147	9,140	9,076
114 Nuneaton Bank.....	5,898	4,598	4,577	4,848	4,951
115 Naval Bank, Plymouth.....	27,321	21,412	20,903	19,955	19,935
116 New Sarum Bank.....	15,659	9,556	9,360	9,294	9,573
117 Nottingham Bank.....	31,047	24,993	24,826	26,577	25,532
118 Oswestry Bank.....	18,471	11,299	11,027	11,102	10,408
119 Oxford Bank.....	14,277	9,393	9,298	8,907	8,883
120 Oxford Old Bank.....	34,391	29,327	29,272	30,100	31,222
121 Old Bank Tonbridge.....	13,183	7,553	7,100	7,228	6,981
122 Oxfordshire Witney Bank.....	11,852	8,372	8,051	7,494	7,715
123 Pease's Old Bank, Hull.....	48,807	43,239	44,348	45,687	44,694
124 Penzance Bank.....	11,405	9,979	10,288	10,333	10,743
125 Peterborough Bank—Yorke & Co.	12,545	7,986	7,644	8,169	7,593
126 Peterborough Bk.—Simpson & Co.	12,832	9,257	9,392	8,497	9,074
127 Pembrokeshire Bank.....	12,910	6,636	6,462	6,667	7,267
128 Reading Bank—Simmonds & Co.	37,519	26,285	26,528	26,096	25,411
129 Reading Bank—Stephens & Blandy	43,271	24,892	24,902	24,519	24,635
130 Richmond Bank, York.....	6,889	6,155	5,987	5,614	5,712
131 Ringwood and Poole Bank.....	11,856	8,210	7,622	7,223	6,728
132 Rochdale Bank.....	5,590	3,300	3,530	3,666	4,231
133 Rochester, Chatham, & Strood Bk.	10,480	8,394	8,267	8,721	8,610
134 Royston Bank.....	16,393	12,232	12,043	11,651	11,663
135 Rugby Bank.....	17,250	12,155	11,667	11,628	11,350
136 Rye Bank.....	29,864	13,294	12,470	11,791	11,676
137 Reigate and Dorking Bank.....	13,700	10,666	11,224	11,824	11,881
138 Ross Old Bank, Herefordshire ..	7,420	3,704	3,955	3,899	3,815
139 Saffron Walden & North Essex Bk.	47,646	29,852	28,351	28,482	29,215
140 Salop Bank.....	22,338	11,659	11,754	11,422	12,262
141 Scarborough Old Bank.....	24,813	21,044	20,785	21,618	20,593
142 Shrewsbury Old Bank.....	43,191	27,118	26,199	25,533	25,421
143 Sittingbourne and Milton Bank ..	4,789	3,635	3,587	3,336	3,065
144 Southampton Town & County Bk.	18,589	13,111	13,420	12,940	12,250
145 Southwell Bank.....	14,744	11,964	11,420	11,461	12,640
146 St. Albans Bank.....	3,743	1,200	1,185	932	965
147 Southampton and Hampshire Bank	6,770	3,110	2,944	2,886	2,955
148 Stone Bank.....	9,154	4,701	4,441	4,029	3,542
149 Stourbridge Bank.....	17,295	13,341	12,543	13,406	13,027
150 Stafford Old Bank.....	14,166	12,108	12,959	13,272	13,249
151 Stamford and Rutland Bank.....	31,858	26,801	26,381	25,505	24,241
152 Stourbridge Old Bank.....	17,560	16,997	17,966	17,186	17,203
153 Shrewsbury and Welsh Pool Bank	25,336	21,179	20,746	22,728	22,528
154 Taunton Bank.....	29,799	17,569	18,210	18,132	18,219
155 Tavistock Bank.....	13,421	8,450	8,260	8,473	8,418
156 Thornbury Bank.....	10,026	7,242	7,785	7,941	7,945
157 Tiverton and Devonshire Bank ..	13,470	6,761	6,878	7,085	7,055
158 Thrapstone and Kettering Bank ..	11,559	9,742	10,347	10,477	10,248
159 Tring Bank and Chesham Bank ..	13,531	11,302	10,872	10,738	10,681
160 Towcester Old Bank.....	10,801	8,024	8,762	8,168	8,208
161 Union Bank, Cornwall.....	17,003	7,704	8,017	7,365	6,158
162 Uxbridge Old Bank.....	25,136	18,089	18,346	19,056	19,361
163 Wallingford Bank.....	17,064	6,732	6,462	6,833	7,331
164 Warwick and Warwickshire Bank	30,504	20,628	20,332	20,481	19,961
165 Wellington Bank, Somerset	6,528	2,060	2,014	2,098	2,255
166 West Riding Bank.....	46,158	41,434	40,980	44,010	46,075
167 Whitby Old Bank.....	14,258	14,085	13,511	13,434	12,736
168 Winchester, Alresford & Alton Bk.	25,892	17,247	17,547	17,451	17,724
169 Winchester and Hampshire Bank	6,737	4,089	3,878	4,088	4,059

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		May 27.	June 3.	June 10.	June 17.
	£	£	£	£	£
170 Weymouth Old Bank	16,461	11,299	11,691	11,716	11,200
171 Wirksworth and Derbyshire Bank	37,602	31,925	30,421	29,383	29,865
172 Wisbech and Lincolnshire Bank..	59,713	54,329	51,994	50,238	48,615
173 Wiveliscombe Bank.....	7,602	6,393	5,921	5,636	5,353
174 Wolverhampton Bank—Goodricke & Co.	14,180	12,330	11,976	11,839	11,607
175 Worcester Bank	15,463	8,670	8,367	8,969	8,705
176 Worcester Old Bank	87,448	66,167	64,446	64,736	63,856
177 Worcestershire Bank	14,309	9,358	9,949	9,876	10,050
178 Walsall Old Bank	19,937	17,229	17,174	17,832	18,139
179 Warminster and Wiltshire Bank..	24,896	11,200	11,120	11,147	10,985
180 Wrexham Bank	3,289	543	536	508	490
181 Wolverhampton Bank—R. & W. Fryer	11,867	9,265	9,542	9,967	9,518
182 Yarmouth and Suffolk Bank	53,060	39,736	39,495	39,473	38,537
183 Yarmouth, Norfolk, & Suffolk Bk.	13,229	10,572	10,422	10,195	10,010
184 Yeovil Old Bank	10,033	6,729	6,244	6,243	6,536
185 York Bank	46,387	39,635	39,978	39,507	39,441

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	8,311	8,416	8,033	8,156
2 Barnsley Banking Company	9,563	7,947	7,426	8,159	8,562
3 Bradford Banking Company.....	49,292	43,555	43,381	44,453	43,985
4 Bilston District Banking Company	9,418	9,511	9,215	8,759	9,402
5 Bank of Whitehaven.....	32,681	29,064	28,102	29,134	31,029
6 Bradford Commercial Banking Co.	20,084	14,270	14,941	16,170	15,708
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	52,765	50,170	48,893	48,559
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	8,204	8,195	8,264	8,510
9 Cumberland Union Banking Co. .	35,395	31,776	31,830	33,233	34,681
10 Cheltenham & Glo'stershire Bk. Co.	12,786	9,058	9,065	9,146	9,090
11 Coventry & Warwickshire Bk. Co.	28,734	19,747	19,114	20,135	19,575
12 Coventry Union Banking Company	16,251	11,870	12,432	12,548	12,129
13 County of Gloucester Banking Co.	144,352	93,740	90,485	90,017	89,440
14 Carlisle & Cumberland Banking Co.	25,610	24,428	24,851	26,155	27,005
15 Carlisle City and District Bank....	19,972	18,358	18,303	19,736	19,632
16 Dudley & West Bromwich Bkg. Co.	37,696	38,766	39,128	36,614	29,783
17 Derby and Derbyshire Banking Co.	20,093	18,442	17,839	17,942	18,100
18 Darlington Dist. Joint Stock Bk. Co.	26,134	22,665	21,186	21,731	21,760
19 East of England Bank	25,025	23,598	23,290	23,405	23,230
20 Gloucestershire Banking Company	155,920	132,576	128,020	126,225	126,303
21 Halifax Joint Stock Bank.....	18,534	12,769	13,105	13,490	13,260
22 Huddersfield Banking Company ..	37,354	33,320	32,214	30,884	35,193
23 Hull Banking Company	29,333	27,712	26,711	26,200	25,575
24 Halifax Commercial Banking Co. .	13,733	8,620	8,951	9,660	10,550
25 Halifax & Huddersfield Union Bank	44,137	30,692	29,325	28,087	31,203
26 Helston Banking Company	1,503	1,345	1,613	1,606	1,400
27 Herefordshire Banking Company..	25,047	18,823	17,660	16,442	16,573
28 Knaresborough and Claro Bkg. Co.	28,059	25,042	24,255	24,327	23,688
29 Kingsbridge Joint Stock Bank	3,952	2,990	2,821	3,050	3,339
30 Lancaster Banking Company	64,311	60,448	61,951	61,761	59,750
31 Leeds Banking Company	23,076	19,730	19,891	22,568	23,225
32 Leicestershire Banking Company..	86,060	66,695	66,215	65,025	64,460
33 Lincoln and Lindsey Banking Co.	51,620	46,732	45,486	48,026	47,737
34 Leamington Priors & Warwicksh. Bk.	13,875	9,523	9,147	9,629	9,316
35 Ludlow and Tenbury Bank	10,215	6,925	6,531	6,923	7,17

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		May 27.	June 3.	June 10.	June 17.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	21,524	21,531	21,403	21,703
37 Nottingham and Notts. Banking Co.	29,477	25,632	24,555	23,874	22,563
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	5,205	4,965	4,750	4,550
39 National Provincial Bk. of England	442,371	358,895	346,565	344,613	338,068
40 North Wilts Banking Company ..	63,989	46,201	43,335	43,568	42,302
41 Northamptonshire Union Bank ..	84,356	62,139	60,323	61,022	60,871
42 Northamptonshire Banking Co. ..	26,401	19,647	19,385	19,537	19,486
43 North and South Wales Bank	63,951	17,310	18,116	20,996	20,006
44 Pare's Leicestershire Banking Co...	59,300	47,016	46,162	42,976	41,843
45 Saddleworth Banking Company ..	8,122	1,927	1,747	1,794	2,165
46 Sheffield Banking Company	35,843	35,048	34,775	35,720	35,310
47 Stamford, Spalding & Boston Bk. Co.	55,721	48,491	48,405	47,425	47,913
48 Stuckey's Banking Company	356,976	241,076	234,056	232,303	233,200
49 Shropshire Banking Company	47,951	38,145	38,678	38,507	38,476
50 Stourbridge and Kidderminster Bk.	56,830	45,915	45,119	45,028	43,964
51 Sheffield and Hallamshire Bank ..	23,524	17,035	17,002	17,342	17,883
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	48,629	47,876	48,756	47,860
53 Swaledale and Wensleydale Bank...	54,372	51,648	50,890	51,415	51,189
54 Storey's and Thomas's Bank	9,714	9,597	9,702	9,073	9,647
55 Sheffield and Retford Bank	18,744	821	802	790	763
56 Wolverhampton & Staffordsh. Bank	35,378	34,086	34,090	34,960	35,361
57 Wakefield and Barnsley Union Bank	14,604	12,270	11,754	11,626	11,215
58 Whitehaven Joint Stock Bank	31,916	25,670	25,600	25,929	26,296
59 Warwick and Leamington Bkg. Co.	37,124	27,638	28,871	28,890	27,751
60 West of England and South Wales District Bank	83,535	62,974	64,565	66,622	65,419
61 Wilts and Dorset Banking Company	76,162	57,510	55,503	54,500	55,201
62 West Riding Union Banking Co. ..	34,029	24,112	23,349	24,427	27,212
63 Whitchurch and Ellesmere Bkg. Co.	7,475	2,399	2,505	2,651	2,872
64 Worcester City & County Bkg. Co.	6,848	4,356	3,968	4,741	4,480
65 York Union Banking Company ..	71,240	66,130	63,026	64,553	66,064
66 York City and County Banking Co.	94,695	83,115	82,462	81,765	82,408
67 Yorkshire Banking Company	122,532	104,150	101,994	102,130	103,582

Summary of the above Returns.

	Fixed Issues. £	May 27. £	June 3. £	June 10. £	June 17. £
187 Private Banks	4,880,389	3,673,482	3,632,651	3,623,673	3,583,577
67 Joint Stock Banks ..	3,409,987	2,636,778	2,482,841	2,590,116	2,584,786
254 Totals	8,290,376	6,310,260	6,115,492	6,213,789	6,168,363

Average Weekly Circulation of these Banks for the month ending June 17th:—

Private Banks	£3,628,346
Joint Stock Banks	2,573,630

Average Weekly Circulation of Private and Joint Stock Banks

ending as above £6,201,976

On a comparison of the above with the Returns for the Month ending 20th May last, it shows:—

A decrease in the Notes of Private Banks, of	£218,299
A decrease in the Notes of Joint Stock Banks, of	209,225

Total decrease on the Month £427,524

CIRCULATION RETURNS.

and, as compared with the Month ending the 19th June, 1847, it shows—

A decrease in the Notes of Private Banks, of £757,936
A decrease in the Notes of Joint Stock Banks, of 514,812

Total decrease, as compared with the same period of last year £1,272,748

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue £1,252,043

The Joint Stock Banks are below their fixed issue 836,357

Total below the fixed issue.....£2,088,400

NOTE.—In the *London Gazette* of the 13th June, the circulation of the Ross Old Bank, Herefordshire, for the week ending the 3rd June, is stated as £39,555; but we are advised by the firm that this is an error, the correct sum being as stated in our table No. 138), £3,955. These errors of the *Gazette* will explain why our summations differ from the Parliamentary Returns in some instances.

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 17th day of June, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	123,106	237,454	360,560	161,483
Loyal Bank of Scotland ..	183,000	63,922	128,152	192,074	82,723
British Linen Company....	438,024	155,681	293,271	448,952	154,005
Commercial Bk. of Scotland	374,880	152,406	297,616	450,023	140,956
National Bank of Scotland	297,024	103,422	208,877	312,300	75,352
Union Bank of Scotland ..	327,223	122,150	212,014	334,163	83,262
Edinburgh & Glasgow Bk.	136,657	50,886	74,404	125,290	38,079
Banking Com. in Aberdeen	88,467	39,802	80,081	119,883	36,754
Aberdeen Town and Co. Bk.	70,133	31,302	58,887	90,189	21,831
North of Scotland Bk. Co.	154,319	63,083	99,114	162,197	20,742
London Banking Company	33,451	7,512	23,155	30,668	5,438
Western Bank of Scotland..	33,636	12,575	21,478	34,053	5,655
Western Bank of Scotland	337,938	122,481	274,989	397,470	97,377
Lydesdale Banking Co. ..	104,028	30,315	80,603	110,918	23,543
City of Glasgow Bank	72,921	49,508	63,747	113,256	56,714
Aberdonian Banking Co. ..	53,434	20,871	39,681	60,552	14,847
Earth Banking Company ..	38,656	15,497	31,619	47,117	11,039
Central Bank of Scotland..	42,933	14,857	33,064	47,922	8,760
TOTALS (Scotch Banks) ..	3,087,209	1,179,376	2,258,206	3,437,587	1,038,560

IRISH BANKS.

Bank of Ireland	3,738,428	1,856,700	1,007,100	2,863,800	739,668
Provincial Bank	927,667	302,761	385,906	688,666	319,815
elfast Bank	281,611	34,002	155,731	189,732	108,405
Northern Bank	243,440	24,590	130,181	154,771	68,599
Water Bank	311,079	20,320	145,908	166,228	58,742
National Bank	761,757	210,928	332,675	543,604	211,980
Arrick-on-Suir Nat. Bank	24,084	4,158	7,044	11,203	3,374
Donnel National Bank ..	66,428	18,661	24,681	43,342	11,838
TOTALS (Irish Banks)	6,354,494	2,472,120	2,187,226	4,661,346	1,522,421

CIRCULATION RETURNS.

SUMMARY OF IRISH AND SCOTCH RETURNS TO JUNE 17th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 17th June last, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks	£4,661,346
Average Circulation of the Scotch Banks	3,437,587
Total Average Circulation of these Banks for the past month	£8,098,933

On comparing these amounts with the Returns for the month ending 20th May last, they show—

Decrease in the Circulation of Irish Banks	£179,316
Increase in the Circulation of Scotch Banks	285,268
Total increase last month	£105,952

And as compared with the month ending 19th June, 1847, they show—

Decrease in the Circulation of Irish Banks	£803,605
Decrease in the Circulation of Scotch Banks	209,727
Total decrease on the year	£1,013,332

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue	£6,354,494
18 Banks in Scotland, allowed to issue	3,067,309
26 Banks in all, allowed to issue	£9,421,703

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue	£1,692,168
Scotch Banks are above their fixed issue	356,570
Total below the fixed issue	£1,335,770

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks	£1,522,421
Gold and Silver held by the Scotch Banks	1,636,560

Total of Gold and Silver Coin £3,158,981

Being a decrease of £66,064 on the part of the Irish Banks, and an increase of £10,623 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO JUNE 17th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 17th June, 1848.

Circulation of Notes for the Month ending June 17th, as compared with the previous month :

	May 20, 1848	Jun. 17, 1848	Increase.	Decrease.
Bank of England.....	£18,411,886	£17,648,954	—	762,932
Private Banks	3,846,645	3,623,346	—	218,299
Joint Stock Banks	2,782,835	2,573,630	—	209,225
Total in England.....	25,041,366	23,845,930		1,195,436
Scotland.....	3,152,319	3,437,587	285,268	—
Ireland	4,840,662	4,661,346	—	179,316
United Kingdom.....	£33,034,367	31,949,863	—	1,084,504

The comparison of the month ending June 19, 1847, with the month ending June 17, 1848, shows a *decrease* in the Bank of England circulation of £649,384, a *decrease* in Private Banks of £757,936, and a *decrease* in Joint Stock Banks of £514,812; being a total *decrease* in England of £1,922,132: while in Scotland there is a *decrease* of £209,727; and in Ireland a *decrease* of £803,605. Thus showing that the month ending June 17th, as compared with the same period last year, presents a *decrease* of £1,922,132 in *England*, and a *decrease* of £2,935,464 in the *United Kingdom*.

The return of Bullion in the Bank of England for the month ending June 17th, gives an aggregate amount in both departments of £13,780,325. On a comparison of this with the Return for the month ending May 20th, there appears to be an *increase* of £736,926; and as compared with the month ending June 19th, 1847, being the corresponding period last year, there is an *increase* of £3,461,133.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 17th June, was £2,560,981, being a *decrease* of £55,441, as compared with the preceding month, and a *decrease* of £256,994, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE ;

AND

Journal of the Money Market.

SEPTEMBER, 1848.

MONETARY AND COMMERCIAL PROSPECTS.—THE LATE DEBATE ON THE BANK ACT.

THE harvest season in Great Britain is always a period of anxiety to commercial men ; but we doubt whether there has ever been a season of greater anxiety than the present. Every man of business knows the importance of our securing at least an average supply of the food products of the country, and that a failure of the harvest is invariably attended with a disturbance of monetary and commercial affairs, proportional to the extent of the deficiency. This lesson has been strikingly impressed on all of us by the monetary events of the last two years ; and with a lively recollection of the disasters flowing from the deficient crops in 1846 and 1847, aggravated by the Bank Act of 1844, our merchants and manufacturers are now looking with extreme anxiety for the results of the present season. It is scarcely necessary to say that the actual condition of the crops in Great Britain and Ireland is calculated to excite the most serious alarm. We are threatened with a deficient supply of wheat, and with an almost total loss of the potatoes ; and as it is admitted on all hands that the commercial difficulties of last year, and the panic which ensued, might be clearly traced to similar failures of the harvests in 1846 and 1847, we need not wonder at the intense interest which the subject is now exciting. It is seen very clearly, that if we have to import grain to any considerable extent we shall have another pressure on the money market ; and in the existing condition of the country, weakened already by the disasters of the two past years, no one can look without apprehension on the probable result.

Although we believe that legislative enactments cannot protect
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us from inconvenience when the harvest fails, we are equally sure that commercial distress may be much increased by bad laws, founded on mistaken notions of political economy. We think it is proved beyond a question, by the evidence taken before the recent Parliamentary Committees, that the commercial distress of last year was greatly aggravated, if not occasioned, by the Bank Charter Act of 1844; and we are no less surprised than concerned to find, that parliament intend to separate without making any alteration in the dangerous enactments of this most objectionable measure. At the commencement of the session, a Committee was appointed, both by the Lords and Commons, to enquire into the operation of the Act. Nearly all the witnesses examined before these committees gave the most decided evidence against allowing it to remain in its present state; a distinct recommendation to repeal the principle of the measure was made by the Lords' Committee; and a similar, or, rather, a more sweeping condemnation of the Act by the Commons' Committee, was only averted by the *two* votes of Sir Robert Peel and the Chancellor of the Exchequer, in addition to the ministerial tail;—and yet, on the matter being brought under the consideration of the House of Commons by Mr. Herries, the government altogether refused to take the matter into consideration, and clearly showed that the appointment of the Committee was a sham, and that the evidence of the witnesses examined before it has proved as unpalatable to the ministers, as it was, no doubt, unexpected. We had prepared an analysis of the evidence in order to show how completely it falsified the report which the Committee of the Commons had adopted; but we prefer the following summary of Mr. Herries, which we take from his speech in the House of Commons on the 22nd of August ult., when he brought the subject under discussion, because the facts which he enumerated were left wholly uncontradicted by the Chancellor of the Exchequer and Sir Robert Peel, who followed him in the debate.

Mr. HERRIES said—He should endeavour to show on what a slender foundation the report of the Commons' Committee rested, and to ascertain how far it was sustained by the evidence which had been given. Many persons who had not read the evidence would be apt to suppose that it led to the conclusion to which the committee had come, and that the report of the committee was justified by it. He should endeavour to analyse the evidence and to show that such a supposition was erroneous. The committee had examined 26 witnesses as to the Acts of 1844 and 1845, and the two reports contained the opinions of these witnesses. Of these 26 witnesses two were examined exclusively on the subject of the East India Trade, and he should therefore set their testimony aside. That would reduce the number of witnesses to 24. The house had a right to know the number who gave an opinion adverse to the Act of 1844, and the character of those witnesses. He should divide them into five classes. The first class comprised those witnesses selected by large commercial bodies to represent them in committee. They were four in number—Mr. Bevan, selected by the London bankers; Mr. Birkbeck, by the

country bankers; Mr. Kinnear, deputed by the Chamber of Commerce, Glasgow; and Mr. McFarlane from the Chamber of Commerce, Edinburgh. These four were of the same opinion with regard to the Act of 1844—all of them agreed that it had led to considerable aggravation of the distress of 1847, and were of opinion that it required amendment. The second class were persons presiding over large banking establishments, and were eight in number. Of these, three represented the Bank of England, one the Bank of Ireland, and four the following banks:—Mr. Anderson, manager of the Union Bank of Scotland; Mr. Bell, manager of the City of Glasgow Bank in Edinburgh; Mr. Murray, manager of the Provincial Bank of Ireland; and Mr. Bristow, manager and director of the Northern Bank of Ireland. Of these the three who represented the Bank of England were favourable to the Act, and maintained their opinion, in spite of a severe cross-examination. Mr. Macdonnell, the governor of the Bank of Ireland, thought there were disadvantages attending it, but did not give an opinion against it. But the other four—Mr. Anderson, Mr. Bell, Mr. Murray, and Mr. Bristow—were decidedly of opinion that the safety of the country required an amendment of the Act. The third class of witnesses consisted of individuals of great eminence and experience in commerce, and in the money market of the metropolis. They were Mr. Gurney, one of the greatest money dealers in the world; Mr. Bates, a partner of the house of Baring and Co.; and Mr. Horsley Palmer; and they were generally of opinion, that it was inexpedient to continue the restrictions of the Act of 1844, with regard to the Bank, as they now existed. The fourth class consisted of persons engaged in banking and commercial business in provincial towns; they were, Mr. Pease, representing the industry of the north; Messrs Hodgson and Turner, from Liverpool; Mr. Gardner, from Manchester; and Messrs. Salt and Muntz, from Birmingham; all of whom expressed an opinion against the Act of 1844. Messrs. Salt and Muntz were opposed to our whole system of currency—to the Act of 1819, as well as to the Act of 1844, and he would not, therefore, avail himself of their evidence. The fifth class consisted of gentlemen who had studied the subject theoretically. They were Mr. Tooke, well known for his work on prices; Mr. Jones Loyd, and Mr. Taylor. It was hardly necessary for him to say that Mr. Jones Loyd strenuously defended the Act, and was opposed to any change. Mr. Taylor was opposed to the whole of our monetary system, to the Act of 1819 as well as to the Act of 1844. It appeared, therefore, that of twenty-four witnesses four had given a decided opinion in favour of the Act. He should not avail himself of the witnesses—three in number—who were opposed to the Act of 1819, as well as the Act of 1844, and to our system of currency in general. Deducting these, and a fourth witness, whose evidence he did not take into account, there remained sixteen out of the twenty witnesses whose evidence was to be weighed, who had declared that the Act of 1844 required amendment. But the character of the witnesses ought also to be kept in mind. All those deputed to express the opinion of commercial bodies were against the Act of 1844. Of those at the head of large banking establishments four were against the Act and three for it, the three being connected with the Bank of England. The three eminent individuals connected with the commerce of the metropolis who had been examined were against it, and were of opinion that the safety of the mercantile community required its alteration. Of the six witnesses who represented important establishments in the provinces, excluding the Birmingham witnesses, of whose evidence he would not avail himself, four were of opinion that the Act required amendment in the sense of a relaxation of its restrictions. Add to these one witness of another class—a great writer on the subject, who was opposed to the Act, and the proportion in point of numbers would be sixteen against to one for. How, then, could the committee say, that after a careful review of the whole of the evidence, they had come to the conclusion that it was not expedient to make any alteration in the Act of 1844?

To the body of evidence thus brought to bear against the Act of 1844 the Chancellor of the Exchequer and Sir Robert Peel could offer no reply. They reiterated their well-known *opinions* on banking affairs, but they did nothing more to advance their cause. Sir Robert Peel acted on the instructions given to a counsel with his brief in a bad case, "No defence—abuse the witnesses;" and accordingly, Mr. Spooner was as usual selected to furnish the sauce which Sir Robert Peel seems to think always necessary in order to render his currency speeches satisfactory to his audience. There is no doubt a motive in thus continually making Mr. Spooner the object of Sir Robert Peel's replies, and it is said to be—that the honourable baronet, and the currency theorists generally, are desirous of making the public think that the point in dispute between them and the advocates for a repeal of the Bank Act, is the convertibility or non-convertibility of the bank note. However clever we might consider this rhetorical trick in a paid advocate at the Old Bailey, it is unbecoming in a statesman, and we do not charge it on Sir Robert Peel. Those who now call on the legislature to remove the restrictions imposed by the Bank Act are supporters of the gold standard of the currency, however much they may regret the inconsiderate manner in which the Act of 1819 was passed, and the unnecessary distress which it inflicted on the country. But the question now is not whether we are to do away with the gold standard, but whether it is to be maintained in such a way as to occasion periodical panics and great distress unnecessarily. Sir Robert Peel says that such distress is proper and salutary, and on this question we are quite prepared to join issue with him. In the last debate, in reply to Mr. Herries, he explained his views as follows:—

Sir R. PEEL said—Whenever the proper time for discussion arrived he should be prepared to maintain, to the utmost of his power, the policy of keeping up the restrictive clauses of the bill of 1844. *He believed the restrictive clauses of that bill prevented the country in April last from having superadded to commercial distress the danger of political panic. He believed the Bank would have persevered from April to June, as they did from January to April, in extending the amount of securities; and he believed it was the salutary pressure of the Act of 1844 which prevented the discredit of April, 1847. He would take the conclusion of the Lords' report on the question: he would put aside altogether the report of the Commons: and when the time for discussion came he should impeach that report, and attempt to show the house that the most unwise and impolitic thing that could be done by parliament would be to adopt its recommendations, and give the Bank of England a power to relax the restrictive clauses of the Act of 1844. He would also endeavour to prove that it would be infinitely better, on the contrary, seeing the necessity which existed for the exercise of that power, under due responsibility, and that the safety of the country would be more effectually consulted, as well as the interests of the monetary community more decidedly served, if that power was left in the hands of the government, with the responsibility attached to its exercise, rather than be vested in the hands of the Bank. Looking at the*

facility which existed in this country of abusing credit—looking at the evidence of men of experience before the Committee, he could not come to the conclusion that the Acts of 1844-5 had caused any injury to trade and commerce, and it was quite clear from that evidence that there was not one house that had fallen at the time in question which had not been some time insolvent. He could not tell the house how much importance he attached to the convertibility of the bank-note, and that it should have a representative in a pure metallic medium. The more a country approached a pure metallic standard, the more it became important. Looking at the enormous trade of this country, and the magnificent superstructure that has been built on a metallic currency, he thought the greatest calamity that could befall it was to entertain a notion that in times of pressure the remedy was relaxation of the paper currency. A relaxation under such circumstances would be but a postponement of the evil day. It was idle, therefore, to say that the Acts of 1844-5 had increased the pressure. *A pressure at such a period was the only remedy for the difficulty.*

This paragraph from the speech of the author of the Bank Act is deserving of attentive consideration. It shows, not only how entirely he sets *his opinion* against the conclusive *facts* presented in the evidence given before the parliamentary committees, but it also includes a mis-statement of facts, which proves that he has not considered the evidence with attention. It also contains the important admission that he was wrong in opposing the application of the bankers, at the time the Act was passed, to allow a discretionary power to Government to suspend the Act when necessary; for he now “sees the necessity which exists for the exercise of that power, under due responsibility.” Any person reading his speech would imagine that “the evidence of the men of experience before the Committee,” by whose evidence he pretends to be guided, was in favour of the Act, whereas, from the summary of Mr. Herries before quoted, it will be seen that the very reverse was the fact. Again, he says it was quite clear from the evidence that there was not one house that had fallen during the crisis which had not been some time insolvent; while the truth was, as the balance sheets published in this *Magazine* show, that many houses were brought down who, but for the pressure occasioned by the Act, would have paid all their creditors in full, and have had a handsome surplus in hand. The stoppage and subsequent resumption of business by Saunderson and Co., and others, who paid every demand on them in full, appears to be entirely overlooked; the desire of the speaker to make it appear that the Act had done no wrong leading him to make the broadest assertions without hesitation.

The most important question at the present time, however, is that embraced in the last sentence of the paragraph we have quoted. Sir Robert Peel says that a monetary pressure is the only remedy for such a difficulty as that which is by no means unlikely to occur, should our harvest this year prove as deficient

as many experienced parties expect. Are we then to have another crisis? He says that any relaxation of the restrictive clauses of his Bank Act would but postpone the evil day: and we may accordingly infer, that neither he nor Sir Charles Wood will permit the Bank to make any extra issue unless a crisis again ensues. It is quite clear that the supporters of the Act were much dissatisfied with the Government letter of October last. Mr. Jones Loyd, Mr. Morris, as well as Mr. Cotton, would have greatly preferred "that the Act should have been allowed to take its course." And now we see Sir Robert Peel broadly asserts that commercial distress is an intended necessary consequence of the Act, whenever it comes into practical operation; and that it is the only remedy for an adverse state of the foreign exchanges, however produced, or however temporary the balance against the country may be.

To prove that such an assertion is wholly unsupported by facts, we need only refer to a few of the "pressures" which have been permanently and effectually relieved by adopting the course that Sir Robert Peel says "is the greatest calamity which can befall the trade of the country." Going back to 1825, the pressure which at that time had assumed the form of internal panic, and a distrust of the general note circulation of the country, was immediately relieved by an extraordinary issue of notes by the Bank, even on such unusual securities as the deposit of deeds, &c. In 1829, again, the directors acted in direct opposition to the principle of the currency theory. They increased their note issue notwithstanding the demand for gold for export, and the consequence was that the mercantile interest altogether escaped uninjured, while had "the screw" been applied, panic and ruin must have resulted. The last instance we shall quote is so recent that it is familiar to every one. The panic of last autumn was stopped by the Government letter authorizing the Bank to make unlimited issues if it thought proper to do so. These three instances are conclusive against the dogma which Sir Robert Peel is endeavouring to enforce, and from which the mercantile interest will again suffer most severely, if any serious export of specie should take place during the ensuing winter in consequence of a failure of the crops.

We sincerely trust that there may be no commercial pressure to demonstrate again the impolitic character of the measure which Sir Robert Peel and the Government are so determined to enforce. We trust that the harvest will turn out better than is generally expected. But should the worst happen, we hope that the country will insist on the ministry suspending the restrictive clauses of the Act, before they produce the havoc which resulted from them last year.

LETTERS TO A BRANCH MANAGER.

LETTER VI.

OVERDRAWN ACCOUNTS. (*Continued.*)

MY DEAR CHARLES.—The story of a draper sent you in my last is not a mere figment of the imagination. Of my own knowledge the narrative is true in the main of half-a-dozen cases in *one* little country town of my acquaintance.

I do not mean to assert that every one is like Twist, and makes the like improvident use of a permanent advance from his banker. There are numerous instances of parties, who, starting with a fair capital of their own, have turned to profitable account the additional capital procured by them in the form of an overdraft. Nevertheless, it should be borne steadily in mind that overdrafts are recalled almost invariably in a time of monetary pressure and low prices, and consequently at a time when the trader must realize at a loss. The majority of applicants for overdrafts rarely think of this, Charles; therefore you ought to think for them, and rather encounter their present displeasure than their future maledictions, because it is nothing unusual for the man to whom you have unhappily lent your money, and who has paid you a trumpery dividend, to turn round and charge you and your advances with his ruin. I grant that, under all the circumstances, particularly if you are smarting under the loss of a thousand or two, such an accusation is peculiarly intolerable, the more so because a banker ordinarily considers that he confers a favour by granting an overdraft, and entitles himself rather to gratitude than to abuse: but as the ingratitude of insolvent debtors does not fall strictly within the scope of my present subject, I content myself with simply stating the fact.

And how, think you, that very important class of your customers, those who conduct their business with a capital of their own, and whose banking accounts always show a balance in their favour,—how, think you, do *they* relish an upstart being thrust into business by means of the overdraft you allow him out of *their* deposits? It is neither a fair nor a courteous answer to reply, that it is none of their business, Charles, provided they get the interest upon their deposits, and may have the deposits themselves when they choose to call for them. I think they have a right to complain if competitors in trade are raised up against them by means of undue facilities, and their business reduced both in extent and profit. I know that it is often asked, by way of rejoinder to this, how the man who has to *pay* for his capital can undersell the man who is working with his

own? But whether he can or cannot is not so much the question as whether he does. Twist did, and thousands do; for Twist, with all his ignorance of many things, saw very clearly this, that his only chance against his long established competitors was to drive "a roaring trade" on the principle of "small profits and quick returns." He argued, shrewdly enough, that twenty shillings are as good as a pound; and, therefore, that twenty transactions, which realised a profit of one shilling each, were equal to one transaction which realised a pound.

You will tell me, perhaps, that a man—leaving Twist aside—who uses other peoples' money, will be more cautious how he lays it out, not knowing when he may be called upon to repay it. This may be the case with some, but I suspect that in the main the contrary is the fact. A man who has worked for, and acquired his capital by the slow and laborious processes of industry, will have a truer appreciation of its worth, and will be more cautious how he disposes of it, than will the man who borrows his capital for the purposes merely of speculation. It is too much the case besides, Charles, for parties to regard an advance from a joint-stock bank, or any *public* body in a light different to that in which they would regard money borrowed from an individual. To an individual, the loss of the money would be ruin—so runs the argument—but to a joint-stock bank, you know, it is only so much to each proprietor,—a mere bagatelle, which he will never feel. And the argument does not always stop here, particularly with your "fast" men. Banking, they will tell you, is a trade, and interest and commission simply the premium for which the shareholders, or the directors for them, underwrite the risks which they undertake. Advances to gentry of this description, are what all prudent branch managers, in the language of the fire-offices, will reckon "doubly hazardous." I was once told by a customer, through whom we lost £1,000, a man of fair intelligence and average honesty, that we needn't be so very savage with him; for if we would add together the interest and commission charged upon his account for the last seven years, we should find that we had lost by him little or nothing!

An overdraft, if granted at all, should be *temporary* only, limited in amount and duration by the occasion which it is required to meet; and there is no trade or business, however well conducted or whatever the amount of capital employed, in the course of which such occasions may not arise. The detention of a ship, for example,—the non-arrival of a mail,—the miscarriage of a letter, and other such mishaps, are clearly occasions for the interposition of the banker with a timely advance. So likewise when the farmer is augmenting his live-stock, before he

has brought his crops to market: or when the manufacturer is enlarging his stocks in anticipation of the spring or winter demand: or when the retail dealer is laying in his supplies for any one of the four seasons,—the banker is justified in aiding such operations to a moderate extent. The draper who goes to market with £750 of his own, we shall say, to lay in his winter stock, but extends his purchases to £1,000, might not unreasonably draw upon his banker for the odd £250. So of the farmer; and so also of the manufacturer, and all others, in proportion to their known means, the magnitude of their transactions, their habits of business, and the circumstances of the case. If these four points are intimately known to you, you will rarely make an imprudent advance; if they are *not* known to you, you will rarely make a wise one.

You will tell me that men of undoubted means, high character, and extensive business would not submit to such catechising: that sometimes the first intimation you have of an overdraft being required is the presentment of the cheque which creates it, and that consequently your only course is to honour the cheque or lose the account.

No doubt there are people in the world of excellent means and imperfect understanding, whose notions regarding the extent to which they may overdraw their accounts with impunity are governed by no fixed principle even in their own minds, and who would treat the dishonour of their cheque as an unpardonable affront, or an inquiry into the probable period of its repayment as an incredible impertinence. It might be wise to humour such men to a moderate extent, if their known character and means are perfectly undoubted, and you *know* that the overdraft is either accidental or temporary; but if you do not know this, and you honour the cheque, you should instantly honour its drawer with a note or a call upon the subject.

If your respectful statement of the rules by which you are compelled to act is treated with scorn—if your calm but firm persistence in the propriety of your course is listened to with impatience, and the account closed in a storm of superfluous indignation, you will at least have the consolation of reflecting that you have done your duty, and that Mr. — is a most unreasonable, unbusinesslike, and violent person.

But there is a class of customers of a different stamp, whose accounts have also a lively tendency to become overdrawn: and who will trespass upon your indulgence, not to the extent of their means, which would be easy of estimate, but to the extent of their audacity, which is incalculable. In dealing with such people, Charles, you cannot too promptly act on the offensive. Do not calculate on *their* forbearance. So long as you will

permit them they will draw. Refuse the first cheque therefore which they draw in excess; for your only chance against their style of play is instant cheque-mate. Of course they will bluster, and threaten, and bully: but these modern Pistols, these "fustian rascals," are not deserving of serious notice. Their wildest, and as they believe their most withering threat, is the immediate withdrawal of their accounts to other establishments, a calamity which you will be able to contemplate, I trust, with tolerable calmness and serenity of mind.

The case which you have supposed, however, or rather, which I have supposed for you, of parties seeking to overdraw their accounts without a previous understanding with you to that effect, is an exceptional one. The majority of business men have character and credit to lose, and will not rashly peril both by passing an untimely draft that may be returned upon them with the ignominious observation—"no funds."

And the majority of men in business, Charles, will also understand and appreciate your objections, on principle, to steadily overdrawn accounts; or, at all events, you will find no great difficulty in explaining and vindicating your objections to such advances. But if your customers understand neither from their own knowledge of business, nor can be made to understand through the medium of yours, why you object to allowing any account whatever to be permanently overdrawn, you have always a powerful practical demonstration at command. *You can refuse the advance*, and so clinch your argument to the comprehension, I should suppose, of the meanest capacity.

And watch well the temporary advances upon open account which you may from time to time see fit to sanction. Record the date of their promised repayment, and see to the punctual fulfilment of the promise. Laxity in this respect is contagious. Be careless on your part in the exaction of such engagements, and rely upon it your customers will not be slow to profit by your example. Promise, recollect, is effected by mere words;—performance by act and deed. The world is full of the one, and lamentably deficient, I regret to add, of the other. Beware, then, of allowing your clients to experience that they may procure advances on the strength of promises which they may never be called upon to perform; otherwise your temporary advances will require no lengthened space of time to become fixtures in more senses than one.

And now to revert to, I think, your only unanswered plea—the apparent profits derivable from a permanently overdrawn account. I think the example you quote is hardly a fair one, if I am to regard it as an average. If I mistake not, the usual calculation is, that the operations upon an account warrant an

overdraft to the extent of one-tenth their amount, or one-half the amount you promise on behalf of your friend Mr. Timms. But I will take your estimate as the correct one, and Mr. Timms, in consideration of your lending him £1,000, shall turn over upon his account £20,000 annually.

Now, if a party were to stipulate for an occasional advance upon his account to the same amount, but only for three months in the year upon the average, I presume that you would consider him bound to turn over in his account at the very least £5,000 in the twelve months. I believe your figure would be something higher, but take it at this. If, then, with a thousand pounds advanced to four parties in succession in the course of the year, you secure four different accounts, the aggregate operations upon which would be £20,000 annually, it is obvious that in this way you lay your money out to as great advantage in point of profit as if you advanced the money in permanence to Mr. Timms.

You will argue, perhaps, that all four might require each his thousand at the same time, and consequently that a sum of £4,000 would be required to effect the operation. Then do not so arrange, Charles. The acceptance or rejection of an overdraft is entirely in your own hands, and ought in some measure to be regulated by your convenience. If those accounts which are drawn upon most heavily during the autumn months, for example, are already numerous enough for the state of your finances, take no more engagements for that season. But if your spring or winter engagements are comparatively light, an accession to their amount (always, however, with a steady eye to your general instructions from head quarters) might be worth your consideration, with the view of giving a better balance to your financial position, and a more equable movement to the course of your business generally.

But this is fencing with a shadow. It is *not* probable—the probabilities run quite against the supposition—that in the ordinary course of things all men require advances at the same period of time. As the manufacturer sells, the trader buys: as the farmer sells, rents are discharged: as the trader sells, the manufacturer is paid, and so on,—one series of accounts being in process of reduction whilst another is in course of expansion,—the fall and the rise in the long run pretty nearly counterbalancing each other.

And there is another consideration, Charles, worthy of your gravest attention before we dismiss the subject, as distinguishing the temporary advance from the permanent loan. I will take the average duration of permanent overdrafts at the moderate period of three years; and I will contrast the £1,000 thus

advanced to an individual with a like amount advanced every three months to a succession of individuals. By the one process it is obvious that you assist *one* man only to the extent of £1,000, whereas by the other you assist a dozen men to the extent of £1,000 each within the period. The assistance you give towards the development of the trade of your district is in the proportion of 12 to 1, the one transaction compared with the others. In other words, by means of that amount of your capital which you can with safety invest in temporary advances upon open account, you can effect as much for the body of your customers in a single month as you could effect in a whole year by means of permanent overdrafts,—just as a quantity of guano deposited upon certain square yards of ground will cause a rank and unhealthy vegetation over the particular spot, whilst all around it is left in sterility: whereas the same quantity, by judicious scattering over a wider surface, will produce tenfold, and a healthier crop to boot. And whatsoever tends to stimulate healthily the trade of Huggleton cannot fail to stimulate the profits of your branch, for a growing trade is accompanied by enlarged operations and augmented profits; the one result giving increased activity to your accounts, the other tending to swell the aggregate of your deposits.

To sum all up, and conclude this lengthy epistle: the permanent overdraft is inconvertible in case of need, and therefore dangerous as a banking asset; it is, generally speaking, an unwholesome prop to the trader who requires it; it inflicts an injury upon the trader whose capital renders him independent of it; it is not more profitable than the temporary advance; and it ties up the hands of the banker from giving that legitimate assistance to the monetary wants of his district which he is bound to give—for banking, like property, has its duties as well as its rights.

When the several counts of this indictment have been declared by competent parties “not proven,” I will be prepared to reconsider the subject. Until then I bid it farewell.

August, 1848.

THOMAS BULLION.

GENERAL REVIEW OF THE SAVINGS' BANK SYSTEM.

A SELECT (secret) Committee of the House of Commons having been engaged during the last month in enquiring into the laws regulating Savings' Banks in Ireland (involving necessarily those in the other parts of the United Kingdom), with a view to their amendment, a detailed reference to the origin, progress, and present state of those institutions may not, under existing circumstances, be altogether unattended with advantage.

As far back as the year 1806, the late Dr. Patrick Colquhoun, an author and statist, as well known on the continent of Europe and in North America as in his own country for his benevolent views and profound knowledge of the various branches of political economy, suggested in his "Treatise on Indigence" the establishment of a "National Deposit Bank for Parochial Societies," which, by leading the poor by *gentle* means into the way of helping themselves, might, when in maturity, have the effect, not only of promoting provident habits among the lower orders, but of considerably reducing the number of paupers, to the benefit as well of the payers of poor rates as of the community generally.

Again, some years afterwards, when the numerous advocates for the establishment of national deposit banks were enabled, with the assistance of such men as Mr. Rose, Mr. Malthus, Mr. Hume, Lord Spencer, and others, to mature their plans, not exactly upon the system contemplated by Dr. Colquhoun in 1806, but as a considerable step towards it, it was stated in some printed observations on banks for savings by Mr. Rose, that the situation of the *lower* classes of society would doubtless be ameliorated by the establishment and promotion of such banks, because industry, sobriety, and economy among those classes would be encouraged, by the inducement held out to them to make *little* savings as a provision against future want or old age.

It is sufficiently clear, from the opinions above quoted of men who were mainly instrumental in the establishment of banks for savings as they now exist, that the true principle upon which those institutions were founded, and ought to have been and to be conducted, is leading the *poor* by *gentle* means into the way of helping themselves, by inducing them to make *little* savings, and by ensuring to them the repayment of those savings with interest, or by managing the investment of them, for the owners, to the best possible advantage.

It was contemplated at first, that if the plan were fairly carried out, the deposits in the various Savings' Banks which would, in course of time, be established, would seldom exceed a million in amount. The announcement, therefore, that the government would undertake the employment of the funds deposited, and would guarantee the payment of interest, and the return of the exact amount of money lodged in their hands, was received with acclamation by all classes, and the passing of the first acts of parliament in July, 1817, to carry out the views of the government, gave such a stimulus to the plan, that in England alone one hundred and sixty-four Savings' Banks had been established on 11th March, 1818, and the debentures issued to them by the National Debt Commissioners amounted on the same day to £657,187.

According to the acts of parliament, passed in 1817, a depositor in Ireland was restricted to the investment of £50 in each year, while in England the amount allowed to be invested was £100 the first year, and £50 every year afterwards. The interest payable by the National Debt Commissioners to the Trustees of the Savings' Banks on the debentures issued by the former to the latter, was at the rate of 3*d.* per cent. per diem, or £4 11*s.* 3*d.* per cent. per annum, of which rate the depositors usually received £4 per cent. per annum.

The fixing of so large a sum as £100, in the case of England, and £50, in that of Ireland, as the amount of an individual depositor's payments during the first year, and £50 in both cases during the following years, without any restriction as to their number, seems hardly reconcilable with the object of receiving *small* sums from the *poorer* classes, and with the general expectation that the aggregate amount of the deposits would seldom exceed a million.

It may, therefore, be reasonably inferred from the above circumstance, and from so large an amount as £657,187 having been, in consequence, paid over to the National Debt Commissioners, between 6th August, 1817, and 11th March, 1818, that the abuse of the system, which, for some years past, has been undeniable, may be dated from its very establishment. The sacrifice made by the government in the case of the interest paid to the Trustees of the Savings' Banks, commenced also at the very same period, because, on the 2nd June, 1818, the annual interest payable on the debentures issued to them amounted to £43,336, while the annual interest receivable by the Commissioners on the 3 per cent. annuities, purchased by them with the amount of those debentures, was £35,471, showing a difference of £7,865 in the first ten months of the operation of the system.

In May, 1818, it became necessary to make some trifling alterations in the Savings' Bank Acts, passed in the previous year, and additional alterations of a similar character were again effected in July, 1820, but such amendments of the laws did not affect the rate of interest payable by the National Debt Commissioners to the Trustees, nor that payable by the latter to the Depositors, nor did they reduce the amounts allowed to be deposited. The latter was not effected until June, 1824.

Meanwhile the increase of deposits was as follows:

The payments made by the Trustees of the Savings Banks in *England*, from 6th August, 1817, to 5th July, 1820, amounted to £3,188,865; and the interest received by the Commissioners on the investments made by them on account of the Trustees amounted to £178,237, making the total of the money received £3,367,102. The total stock purchased with the money so

received amounted to £3,926,379 in the 3 per cent. and 3½ per cent. annuities.

On 5th April 1821 the payments made by the Trustees to the Commissioners, from 6th August, 1817, amounted to £3,726,793, showing an increase in the nine mouths, of £537,928; while the repayments made by the latter, from 6th August, 1817, amounted to only £219,072.

The loss in the interest account of the National Debt Commissioners necessarily increased in the same proportion as the deposits.

The amount of interest paid and credited by the Commissioners to the Trustees of the Savings' Banks, and the amount of dividends received by the former on the stock purchased with the deposits, from 6th August, 1817, to 5th January, 1822, are thus shown:—

ENGLAND.			
Amount of interest paid and credited to Savings' Banks	..	£461,400	
Amount of dividends received .. .. .	..	401,016	
Difference or Loss .. .. .	..	£60,384	
IRELAND.			
Amount of interest paid and credited to Savings' Banks	..	£14,416	
Amount of dividends received .. .. .	..	11,829	
Difference or Loss .. .. .	..	£2,587	

From 1820 to 1824 the deposits increased rapidly, and during the parliamentary session of the latter year the reduction in the amount allowed to be deposited, to which we have referred, was effected. According to the act then passed, the deposits of any one depositor were not, after 20th Nov., 1824, to exceed £50 in the first year, both in Great Britain and in Ireland, nor £30 in any one year afterwards, nor £200 in the whole, exclusive of interest.

The date when the new regulation came into operation may be said to have formed the first epoch in the annals of Savings' Banks; and the state of the account between the Trustees and the National Debt Commissioners at that period was as follows:—

SAVINGS' BANKS AND FRIENDLY SOCIETIES.

From 6th August, 1817, to 20th November, 1824.

	Gt. Britain.	Ireland.	Gt. Britain and Ireland.
Amount received from, and credited to the trustees, including interest	£11,636,271..	£725,648..	£12,361,919
Amount paid to the trustees, including interest	492,526..	140,144..	632,670
Balances due to the trustees on 20th Nov., 1824	£11,143,745..	£585,504..	£11,729,249

Thus showing that the balance of these accumulated savings, supposed to be of the *poorer* classes of society only, exceeded eleven millions in Great Britain, and half a million in Ireland, at the end of seven years. The fallacy of this supposition appears on the very face of the statement. To attempt to controvert it would be useless.

The 3 per cent. and 3½ per cent. stocks, standing in the names of the National Debt Commissioners to meet the demands of the owners of the above accumulations, on 20th Nov., 1824, amounted to £13,384,350, being £12,700,018 stock, applicable to the deposits in Great Britain, and £684,332 applicable to those in Ireland.

The interest paid by the commissioners to the trustees, up to 20th Nov., 1824, amounted to	£1,540,557
While that received by them during the same period amounted to	1,317,382
Difference or Loss	<u>£223,175</u>

It is evident, from the above particulars, that after incurring liabilities amounting to nearly twelve millions at the end of seven years, and sacrificing in the payment of interest to the trustees of Savings' Banks during that period a sum exceeding two hundred thousand pounds, averaging more than thirty thousand pounds annually, the Government was bound, in 1824, to introduce some restrictive measure. The proof, however, that the Act of 1824 and all the subsequent acts relating to Savings' Banks have failed in making those institutions what they were intended to be, viz., receptacles for the *small* savings of the *poorer* classes alone, and have only served to continue a defective system, must be reserved for another article in a future number.

THE IRISH SAVINGS' BANKS.

THE following is the report of Mr. John Tidd Pratt, appointed by Government to conduct the investigation into the abuses in the Savings' Banks in Ireland:—

“JOHN TIDD PRATT, ESQ., TO THE LORDS OF THE TREASURY.

“My Lords,—In compliance with your lordships' directions, I proceeded to Tralee, to investigate the circumstances connected with the failure of the Savings' Bank at that place, and as the arbitrator to decide, pursuant to 7 and 8 Vict., c. 83, s. 14, any case of dispute which might arise between the depositors and the trustees and managers.

“On a careful investigation of the books of the institution, I found that the treasurer's (Mr. Rowen) accounts were perfectly correct, as well as those of the manager (Mr. Fitzgerald), who, almost invariably attended at the office on the day of receiving and repaying deposits; but that the money had been abstracted by the secretary, who appeared to have made fraudulent entries of

receipts and payments, to have altered the figures in the cash books and ledgers, and to have entered accounts which were still due as having been paid.

"It appeared to me that the trustees and managers had been guilty of neglect and default in the management of the affairs and examinations of the accounts of the institution, as if common attention had been paid in auditing or making up the yearly accounts to a comparison of the paid accounts with the books of payments, the fraudulent practices of the secretary must have been immediately discovered.

"On a careful investigation, it appeared that the secretary had commenced abstracting the money in the year 1832, and that the deficiency on the closing of the bank on the 3rd of April last was about £34,000; the amount claimed being about £36,000, and the money in the treasurer's hands and with the commissioners being about £1,600.

"I issued an advertisement requesting the depositors to bring in their pass-books, and was engaged for five days investigating nearly nine hundred cases.

"It appears to me that on the part of the depositors, the greatest abuse of these valuable institutions has existed. Claims were made by one person of sums amounting in the whole to £1,100, by another of £850, another of £620, another of £500, another of £400, another of £320, &c., which were invested in sums of £30 each, very often on the same day, in the name of the owner, and a second party for whom he deposited, as nominee or trustee; but the depositor retained the possession of all the books, and was allowed to withdraw the money, without the consent of the party for whom he appeared as trustee; and, indeed, until the defalcation took place, such party was not aware of any investment having been made in their names. They were generally the wife, child, or some relation of the depositor, and in several instances altogether fictitious. But I ascertained that this irregularity had in most cases taken place with the knowledge, and, in several instances, under the advice and direction of the attending manager.

"In one instance a deposit was made in one day of £400, on account of a fever hospital; another of £483, in the aid of a fund for building a chapel, &c.; and several other deposits were made contrary to law, not only as regarded amounts, but also belonging to institutions not legally authorised to invest their funds; and in the books at Tralee I found that the Irish Productive Loan Fund had been allowed to invest a sum of more than £5,000, but which had last year been withdrawn. Several parties who were inmates of the Union Workhouse, as well as recipients of the late relief fund, appeared before me as claimants, and three parties who were in jail as debtors came, in the custody of the jailer, to claim deposits.

"The average amount due to each depositor at Tralee exceeded £40, although in England it does not exceed £27.

"Before completing the investigation at Tralee, I was informed of the defalcation at Killarney, which I found to differ very little, both with respect to the trustees and managers, the fraud of the secretary, and the class of depositors, among whom were to be found the occupiers of the unions and the recipients of out-door relief, &c. &c. The accounts of the treasurer were correct.

"At Killarney the deficiency is about £20,000, there being £16,000 to meet claims to the amount of £36,000, though it is expected the property of the late actuary will produce about £5,000 more. The average amount due to each depositor exceeded £45; and in one instance a party had a few weeks since deposited in one day £420, which he had a few days previous withdrawn in gold from the Provincial Bank of Ireland.

"Having ascertained and investigated the circumstances of each case brought before me, it now remains with me to decide upon whom the loss

must fall. This point depends on the provisions of the 9 Geo. 4, c. 92, s. 9, and the 7 and 8 Vict. c. 83, s. 6. The 9 Geo. 4, c. 92, s. 9, enacts, 'That no trustee or manager shall be personally liable, except for his own acts and deeds, nor for anything done by him in the execution of his office, except in cases where he shall be guilty of wilful neglect or default.'

"The 7 & 8 Vic., c. 83, s. 6, enacts, 'That no trustee or managers of any Savings' Bank shall be liable to make good any deficiency which may hereafter arise in the funds of any Savings' Bank, unless such persons shall have respectively declared by writing under their hands, and deposited with the commissioners for the reduction of the National Debt, that they are willing so to be answerable; and it shall be lawful for each of such persons, or for such persons collectively, to limit his or their responsibility to such sum as shall be specified in any such instrument; provided always that the trustee and manager of any such institution shall be and is hereby declared to be personally responsible and liable for all money actually received by him on account of or to and for the use of such institution, and not paid over or disposed of in the manner directed by the rules of the said institution.'

"Although I have myself a very strong opinion on the legal construction of the above provisions, I have thought it right, before I make my award, to obtain the opinions of the law officers of the crown in England and Ireland.

"In concluding this report, I would observe that by far the majority of depositors who came before me as claimants, though to all appearance in the greatest destitution, were not, from the investigation I made, parties for whom these institutions were intended, but that they had invested their money to the amounts before stated in order to avoid the payment of their rents, or other legal claims upon them, and in numerous instances were living upon charity, or were the recipients of in-door or out-door relief; and the investigation was rendered most painful, from the almost utter disregard of truth, and the attempts at fraud, falsehood, and subornation of perjury which were made by the claimants.

"I have, &c.,
(Signed)

"JOHN TIDD PRATT."

ON THE CHARITABLE LOAN FUNDS OF IRELAND.

THE system of Charitable Loan Funds is peculiar to Ireland, and has arisen from the privileges from time to time granted by the legislature to such institutions in that country. The system did not exist to any extent until 1836. In that year an Act was passed authorizing the Lord Lieutenant to appoint a board consisting of influential noblemen and gentlemen to superintend these institutions, and conferring on them, when placed under the Board, the privilege of lending sums not exceeding £10, repayable in 20 equal instalments in as many weeks, at a charge not exceeding 6*d.* for each £1, or in other words, at the rate of 13½ per cent. per annum, besides fines. The Loan Funds were also authorized to proceed before the Magistrates at Petty Sessions for the summary recovery of their debts. In 1844, the rate of interest allowed to be charged was reduced from 6*d.* in the £1 to 4*d.* in the £1, or from about 13½ to about 9½ per cent.

The following table will exhibit the progress of these Institutions, from the establishment of the Loan Fund Board in 1837 till the present time.

Years.	Number of Societies transmitting Accounts.		Amount circulated.	Balance of Profit.	Balance of Loss.
			£	£	£
1838	} Loan Funds and Monte de Piété	{ 50	180,526	2,547	
1839		{ 157	816,473	11,047	
1840		{ 218	1,164,046	15,477	
1841		{ 268	1,438,598	14,853	
1842	} Loan Funds only	{ 300	1,691,871	18,967	
1843		{ 298	1,650,963	14,149	
1844		{ 259	1,702,918	8,949	
1845		{ 255	1,857,457	9,695	
1846		{ 250	1,770,397	8,332	
1847		{ 228	863,647		3,749

From this table it appears that the number of loan funds, after increasing rapidly from 1838 to 1842, has been decreasing since that time, and as 27 of the 228 Societies were winding up their affairs before May last, the number will next year be reduced below 200. The Capital in circulation, also, after increasing till 1845, has since then been undergoing a rapid decrease. The last year is remarkable as the first in which the operations were attended with a large loss.

Under these circumstances it has become a matter of some importance to consider the policy of the legislation in which these institutions had their origin. The following report of one of the 27 Loan Funds that are winding up their affairs will, therefore, be read with much interest.

OFFICIAL REPORT OF THE LURGAN LOAN FUND, DATED FEB., 1848.

Read before the Dublin Statistical Society.

We, the trustees of the Lurgan Loan Fund, beg to report to the commissioners of the Loan Fund Board of Ireland, that after nearly ten years' experience in this district, and after the most careful inquiries, we have arrived at the conclusion that the charitable loan fund system is productive of more evil than good, and we have come to the determination of closing the Lurgan Loan fund as soon as practicable.

We commenced our operations on the 6th of July, 1838, and have circulated in all £118,564 in 23,428 loans, being an average of £5 1s. 2d. each loan. We have received £2,061 16s. 10d. for discount on loans, for promissory notes, and for cards, which makes a charge on the average of rather more than 9 per cent. per annum to each borrower, independent of his expenses for bringing forward his securities and making his weekly repayments.

The total amount of fines received is £650 14s. 10d., and the number of loans on which fines were incurred, amounts to 7,119, giving an average fine 1s. 10d. per loan, which raises the interest on the defaulters to 18½ per cent. per annum.

The number of summonses issued was 645, and the number of levy warrants executed was 77. Our debentures, which at one time amounted to £3,754, we have paid off in full.

On the 1st of January last, our accumulated nett profit was £354, of which we expect to receive £303 from the borrowers in the course of the next 20 weeks, and we believe that £51 will cover our bad debts from the commencement of the establishment, being less than 1s. for every £100 lent.

When we commenced operations in July, 1838, we could not get money to borrow on debentures at less than 6 per cent. In July, 1839, we were able to reduce the rate to 5 per cent., and in October, 1845, to 4 per cent., and ultimately, in September, 1846, to 3 per cent. This enabled us to reduce the discount to borrowers. We at first charged the borrowers 6d. per £1 discount and 1d. per loan for the card. In July, 1839, we reduced the discount to 4d. in the £1, and in January, 1843, to 3d. in the £1.

In January, 1844, by your order, we charged 1d. per loan additional for the promissory note, which had been previously issued free of cost.

In July, 1844, we raised the discount to 4d. in the £1, at which rate it has since remained: we never made any charge for application papers.

In coming to the determination of closing this loan fund, we are desirous of recording the reasons which have induced us to adopt that measure.

The great object which we had in view in establishing and carrying on the Loan Fund, was to lower the rate of interest on loans to the poor. We, therefore, early reduced our rate of interest from 6d. to 4d., and afterwards to 3d. in the £1. (See our report on this subject, dated 30th January, 1843.) Shortly after that report the law was altered, and the maximum rate of interest allowed to be charged was lowered from 6d. to 4d. We had expected that the large sums lent by this loan fund at a low rate, would have, by competition, lowered the general rate of interest to the poor throughout the district; but we regret to find that this has not been the case. Finding, therefore, that our operations have failed in this primary object, we have been led to investigate the policy of Charitable Loan Funds, with special power of recovering debts, and that investigation has convinced us that such institutions, whilst affording some facilities to borrowers, really contribute to raise the general rate of interest on loans to the poor.

In the first place, by leading off attention from the real cause of excessive interest being charged to the poor—namely, the remnant of the usury laws still retained, and the odium against money lenders.

Secondly, by increasing this odium, and so preventing respectable persons from entering into the trade; and, lastly, by their special privilege of recovering debts summarily before magistrates, which loan fund managers enjoy.

In all the recent suspensions of the usury laws, contracts for sums under £10 (which include the dealings of the poor) have been exempted. We cannot but consider that it is most impolitic to legislate on different principles for the poor and the rich, for the money lender and the loan funds.

During the past year, the Prime Minister and the Chancellor of the Exchequer directed the Bank of England to charge not less than 8 per cent. for advances on the best mercantile security. Yet, at the same time, poor farmers were prohibited from borrowing sums under £10 at a higher rate than 6 per cent.

When the market rate of interest rose so high, the effect of this restriction was to prevent the farmers from getting money, or to injure instead of protecting them. Then, whilst private money lenders are prevented from charging more than 6 per cent. on loans under £10, the loan funds are enabled to charge 9½ per cent. Such anomalies show strongly the necessity of an entire repeal of the usury laws, thereby affording to the poor the protection of free competition, which the suspension of these laws for contracts above £10 has for some years afforded to the rich.

Another effect of the remnant of these laws is, to deter persons of character and respectability from entering into the trade of lending money to the poor. This trade is, therefore, left in the hands of unprincipled men, who do not fear to violate the usury laws, and who lend money at an exorbitant charge to indemnify themselves for the risk they run in such violation.

Another great cause of a high rate of interest in the loans to the poor, is the odium attached to the trade of money-lending, when carried on on a small scale : formerly the same odium attached to all parties engaged in this trade, but now bankers are among the most respected classes in the community ; and we feel confident, that if the remnant of the usury laws, to which we have directed attention were abolished, bankers and other respectable parties would be induced to extend their transactions to loans under £10, and so the odium against money-lending would gradually subside.

The loan funds, by conducting their loans on charitable principles, contribute to the increase of odium against those who lend for profit ; and so by diminishing the number of persons in the trade of money-lending, raise the rate of interest on the poor.

The third way in which loan funds injure the poor, arises from the special privilege of recovering debts summarily before magistrates, which their managers enjoy. The injurious effect of this privilege is threefold.

First, it has the direct tendency of rendering loan fund managers less careful in their discrimination of borrowers ; and this in many instances leads to improvident parties obtaining loans, to their own serious injury, and that of their securities.

Secondly, it renders it more hazardous for any shopkeeper or money-lender to trust poor persons, as a loan fund decree can always be obtained sooner than a quarter sessions decree.

Lastly, it induces shopkeepers and small landholders to endeavour to secure the management of loan funds, so as to grant loans to their customers and tenants, and then use the summary powers of the loan fund against them, in case they fail to pay their instalments. We have heard of instances of the powers entrusted by Parliament for charitable purposes being thus abused ; but we abstain from particularizing those cases, as we only desire to point out the necessary tendency of the system, and not to bring charges against individuals.

In conclusion, we must express our conviction that the interests of the poor, in borrowing money, will be best secured by the repeal of the remnant of the usury laws, and of the special privileges of recovering debts now conferred on loan fund managers ; in other words, by emancipating the trade of money from restrictions and exclusive privileges. Such a change in the law would give to the poor that protection which is afforded in all cases of free trade, by that wonderful arrangement, designed by the all-wise providence of God, by which the interest of borrowers and purchasers, whether rich or poor, is secured by the free competition of lenders and sellers, although actuated by self-interest. That arrangement by which all these parties, actuated by self-interest alone, contribute, without knowing it, to the welfare of the classes with whom they deal, and to the best interests of the entire community.

EXPORTS AND IMPORTS OF THE PAST HALF YEAR.

THE monthly returns of the Board of Trade continue to present an unfavourable aspect, the falling off in the value of our exports during the month ending the 5th of July, being not less than £953,358, as compared with the corresponding month of last year ; while the imports, on the other hand, with the exception of grain, show no important diminution.

542 EXPORTS AND IMPORTS OF THE PAST HALF YEAR.

In the importation of live animals there is a considerable decrease. This has taken place chiefly in cattle. Of eggs there has been a large increase in the half-year, but a diminution during the month. Cocoa has diminished. The consumption of coffee and sugar shows a diminution, but it still continues large. Of the latter there has been an increase in the use of West Indian, and a decrease in East Indian and foreign. The consumption of provisions, tea, fruits, and spices, has considerably increased, both during the month and the half-year. In spirits and wine there is not much alteration, except that the imports of rum have increased, while its consumption has diminished. The consumption of opium has largely increased. In the first half of 1846 it was 9,300 lbs., in 1847 it was 27,208 lbs., and in 1848 it has been 36,985 lbs.

The comparative *imports* and *exports* of the various articles of raw material, show a largely increased supply.

As regards the *export trade* of the country for the half-year, the following table will show the comparative falling-off or increase in the respective articles. It comprises 26 leading branches of industry, and out of these there are only seven which do not exhibit the injurious effects of the convulsions of the period:—

	First half of 1847.	First half of 1846.	Increase.	Decrease.
	£	£	£	£
Butter	62,879	71,576	8,697	—
Candles	22,155	26,475	4,320	—
Cheese	15,149	11,089	—	4,060
Coals and culm	432,497	517,925	85,428	—
Cotton manufactures	9,248,835	8,023,825	—	1,225,010
Cotton yarn	2,628,616	2,214,431	—	414,185
Earthenware	429,387	365,382	—	64,005
Fish, herrings	37,883	31,220	—	6,663
Glass	153,746	124,121	—	20,625
Hardware and cutlery	1,096,956	939,523	—	157,433
Leather, wrought and unwrought	163,515	119,921	—	43,594
Linen manufactures	1,502,770	1,413,819	—	88,951
Linen yarn	315,196	236,076	—	79,120
Machinery	541,403	398,770	—	142,633
Metals—Iron and steel	2,462,954	2,545,650	82,696	—
Copper and brass	849,751	546,648	—	303,103
Lead	100,620	57,331	—	43,289
Tin, unwrought	72,882	73,477	595	—
Tin-plates	235,771	259,950	24,179	—
Salt	141,195	115,757	—	25,438
Silk manufactures	494,806	263,798	—	231,008
Soap	76,686	74,166	—	2,520
Sugar, refined	203,628	212,298	8,670	—
Wool, sheep or lambs	95,412	58,256	—	37,156
Woollen yarn	444,797	291,985	—	152,812
Woollen manufactures	3,564,754	2,578,470	—	986,284
	25,394,243	21,571,939	214,585	4,036,889

In the month ending the 5th of July, therefore, there is again a very large reduction in the amount of our exports (upwards of £950,000), and amounting on the six months to nearly £5,000,000. The exact comparison is as follows:—

Exports.	Month, June 5 to July 5.	Six months, Jan. 5 to July 5.
	£	£
1846	4,401,128	25,020,972
1847	4,578,871	25,394,243
1848	3,625,513	21,571,939

This decrease is visible in every article in the list, except butter, candles, coals, iron, tin, and refined sugar, in all of which there is a slight increase. But those articles on which the greatest reduction has taken place, are cotton manufactures and yarn; earthenware, hardware, and cutlery; linen manufactures and yarn; machinery, copper and brass, lead; silk manufactures; British wool, woollen yarn, and woollen manufactures; and the same results are visible with respect to the last month as the six months. The following is the comparison of the great staple manufactures:—

Exported.	Month, June 5 to July 5.		Six months, Jan. 5 to July 5.	
	1847.	1848.	1847.	1848.
	£	£	£	£
Cotton manufactures ..	1,522,728 ..	1,127,862 ..	9,248,835 ..	8,023,825
— yarn	533,951 ..	377,964 ..	2,628,616 ..	2,214,431
Linen manufactures ..	273,460 ..	233,312 ..	1,502,770 ..	1,413,819
— yarn	48,470 ..	42,301 ..	315,196 ..	236,076
Silk manufactures	90,304 ..	50,975 ..	494,806 ..	263,798
Woollen do.	797,035 ..	556,634 ..	3,564,754 ..	2,578,470
— yarn	101,948 ..	41,169 ..	444,797 ..	291,985
	3,367,896	2,430,217	18,199,774	15,022,404

In reference to the great decrease in the value of our exports, it is necessary to observe (says *The Economist*) that this is to a great degree, if not altogether, accounted for by the diminished price of goods. As the amounts represent the *real or declared* value of the goods at the time of shipment, it follows that the quantities do not fluctuate in the same proportion as the amounts in this table indicate. It would give a great additional value to these tables if the *official value* were given as well as the *real or declared value*, as the former, being calculated always at one uniform rate, would be a precise index as to the fluctuation of *quantity*, while the latter would be a precise index to the fluctuation of *value*.

The entire reduction in the *exports* of the six months represents nearly 20 per cent. of the value of those of last year; and we have little doubt that, in most of the leading articles of manufactures, as great a reduction of prices has taken place, and in many much greater.

Railway Digest.

THE following analysis of the accounts of some of the principal railway companies, presented at the meetings held during the past month, will be interesting to those who wish to have the leading features of the accounts in a compact form for examination and reference. The injurious effect of the late commercial crisis on railway profits will be very evident from the annexed statement.

GREAT WESTERN RAILWAY.

The accounts of the Great Western Railway Company exhibit the following general results:—

CAPITAL ACCOUNT.

<i>Received.</i>	<i>£</i>	<i>Paid.</i>	<i>£</i>
On shares	6,478,221	Main lines per last account	7,898,151
Debentures and Calls in anticipation	492,229	Additional charge for main lines during the half-year	69,849
Debentures	3,190,217	Berks and Hants (cost of portion in operation) ..	502,759
Loan notes and loans	1,296,610		
		Cost of lines opened	8,470,759
		Locomotive stock	842,563
		Lines not opened	1,122,360
		Subscriptions to other companies	875,387
		Balance	146,208
	<u>£11,457,277</u>		<u>£11,457,277</u>

REVENUE ACCOUNT.

<i>Received.</i>	<i>£</i>	<i>Paid.</i>	<i>£</i>
Traffic, including 33,270l. for mails	507,734	Working expenses	229,117
Rent (Bristol and Birmingham Company)	6,800	Bristol and Exeter rent	48,445
Sundries	5,008	Balance of interest on loans	57,693
Premium on shares sold, less interest	15,881	Profit for the half-year carried down	200,168
	<u>£535,423</u>		<u>£535,423</u>
Profit brought down	200,168	Dividend, at the rate of 7 per cent. per annum	234,138
Reserve from previous half-year	41,791	Reserve for next half-year..	7,821
	<u>£241,959</u>		<u>£241,959</u>

The dividend proposed, it will be observed, is the same as the previous one, viz., at the rate of 7 per cent. per annum. This, however, will diminish the reserved fund from 41,791*l.* to 7,821*l.*, or about 34,000*l.*

THE BRIGHTON RAILWAY.

The following is a summary of the accounts:—

CAPITAL ACCOUNT.

<i>Received.</i>	<i>£</i>	<i>Paid.</i>	<i>£</i>
Shares, last account	4,496,961	Main lines, last account ..	2,979,866
Ditto, half-year	112,529	Ditto, half-year	17,616
Mortgages, last account ..	1,500,548	Working plant, last account	462,922
Ditto, half-year	130,750	Ditto, half-year	34,790
Loan notes	590	Branch lines, last account ..	2,645,033
Fifth call on Eighths D,		Ditto, half-year	109,206
paid in advance	10,880	6,710 Direct Portsmouth	
Six per cent. shares	57,966	shares	36,379
Sundries	552	Balance	25,964
	<u>£6,310,776</u>		<u>£6,310,776</u>

REVENUE ACCOUNT.

<i>Received.</i>	<i>£</i>	<i>Paid.</i>	<i>£</i>
Traffic	192,328	Working expenses, taxes, &c.	90,225
Toll, South Eastern	5,529	Toll, South Eastern	4,901
Sundries	2,477	Debenture interest	32,572
	<u>£204,334</u>	Preference shares dividend..	16,072
		Interest on Eighths D	7,377
		Balance for dividend	53,187
			<u>£204,334</u>
Balance brought down	53,187	Dividend, at 13 <i>s.</i> per 50 <i>l.</i> , or	
Reserve from last account ..	1,342	rather more than 2½ per	
		cent. per annum	53,680
		Reserve for next account ..	849
	<u>£54,529</u>		<u>£54,529</u>

The last dividend was 20*s.* per share of 50*l.*, or at the rate of 4 per cent. per annum, and the corresponding dividend last year was 20*s.* also.

It is explained in the report that the South Eastern tolls, although included in the revenue account, have really no place there, as, under agreement, they were relinquished on both sides in November last.

"The difference between the toll that would have been receivable and payable by this company, for the half-year, amounts to 4,628*l.*; and as, owing to the inevitable delay in carrying out the agreement, none of the corresponding benefits have been received during the last half-year, it would manifestly be unjust to throw upon it the loss thus retrospectively incurred. As by this agreement a very large saving of capital is effected, it is proposed to carry this sum to the credit of the revenue, charging the same to capital account."

Were the sum in question excluded from the revenue account, it will be seen the 13*s.* dividend could not be paid.

LONDON AND NORTH WESTERN RAILWAY.

From the statement of the half-year's accounts it appears that the net proceeds, after deducting 11,715 <i>l.</i> 4 <i>s.</i> 11 <i>d.</i> for replacement of locomotive engines and carriages, is	£491,272	3	4
To which must be added the balance carried forward from last year, 53,321 <i>l.</i> 10 <i>s.</i> , and 30,462 <i>l.</i> 18 <i>s.</i> deducted in error		80,784	8 0
	£572,056	11	4

And the directors recommend a further allowance for re- newal of rails in the last half-year	6,000	0	0
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Making a disposable sum of	£566,056	11	4
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Out of this sum the directors recommend a dividend of 3*l.* 10*s.* per cent. for the six months, amounting to 521,717*l.* 19*s.* 8*d.*, and leaving a balance of 44,338*l.* 11*s.* 8*d.* to be carried to the next half-year's account. This dividend it will be observed, is 1 per cent. less than that of the preceding half-year.

THE EASTERN COUNTIES RAILWAY.

The dividend is continued at its former amount of 8*s.* per share, or at the rate of 4 per cent., and the reserved fund will undergo a reduction of 5,518*l.*

The capital account shows a gross receipt of 7,944,817*l.*, of which 6,576,215*l.* had been received on shares prior to the 4th January, 1848; 502,328*l.* during the half-year, and the remaining 866,274*l.* on debenture. The total expenditure amounts to 7,666,889*l.*, of which 7,297,241*l.* was disbursed before the 4th of January, 1848, and 369,648*l.* during the half-year, leaving balance in hand on the 4th of July of 277,928*l.* :—

REVENUE ACCOUNT.

Received.	£	Paid.	£
Traffic	328,226	Working	129,473
Interest on arrears of calls ..	4,028	Rates, taxes, &c.	20,073
Rent from London and North Western Company, Black- wall Wharf, coal arches, &c.	9,320	Interest on stocks, Nos. 1 & 2	46,449
Sundries	701	Interest to Northern & Eastern Norfolk Company, 2 months'	31,950
		earnings	6,000
		Balance	108,330
	£342,275		£342,275
Balance brought down	108,330	Dividend on 287,121 shares, at 8 <i>s.</i>	114,848
Reserve from January 4	10,563	Reserve for next account.	4,045
	£118,893		£118,893

The number of 20*l.* shares represented by the stock is 292,370, and as dividend is payable on 287,121 only, it is to be presumed that 5,249 shares are in arrear of calls and not entitled to dividend.

[Some interesting tables with reference to the probable *future dividends* of Railway Companies will be found on another page.]

THE CASE AGAINST THE BANK ACT OF 1844, AS STATED IN
THE LORDS' COMMITTEE REPORT ON THE OPERATION OF
THE ACT.

IN the very able Report of the Committee of the House of Lords, on the Causes of the late Commercial Distress, and the Operation of the Bank Act of 1844, which has just been published, the injurious effect of that measure, in increasing the monetary distress of last year, is so very clearly pointed out, that we think it desirable to present some of the leading arguments of the Committee in our pages. We gave a summary of the Report in our last number; but the following detail of the opinions of the Committee, with reference to the principle on which the Bank Act is founded, will more clearly explain why the Report condemns the Act, and why it recommends that the Bank be at liberty to increase its issues, if it considers this desirable at any time *when the exchanges are favourable to this country.*

As to the Treasury Letter of 25th October, and its Effects.

The remedy [for the crisis] was sought and found in a departure from the restrictive principles of the Act of 1844, authorised by the letter of the first Lord of the Treasury and of the Chancellor of the Exchequer, dated the 25th of October.

It should be remembered that the insertion of a clause in the bill of 1844, investing the government with such a relaxing power, had been discussed, and rejected. The Committee consider that the step so taken by her majesty's government, in the exercise of such authority, was wise and successful.

The House of Commons have resolved, during the present session, "That in the peculiar circumstances of the period the government were justified in this extraordinary exercise of power." But, in assuming the responsibility of authorising the relaxation of the act, the government, in fact, "dispensed with the expressed provisions of an act of parliament." The interposition of the treasury has been thus understood, and explained by many of the witnesses. The governor of the Bank (Q. 28) considered, that when once the government letter issued, the bank was no longer responsible; he considered that he had authority to "break through the Act." (Q. 439.) The responsibility of the Bank to provide for the security of the banking department ceased after the 22nd October. On the 23rd it was intimated that the government letter was to be issued on the 25th; and it was understood that the Bank was to act on that day (the 23rd), according to the spirit of the government letter. Consequently the accommodation given on the 23rd, was "given on that understanding." Mr. Glyn observes (Q. 1734), "the letter of the government stopped the crisis, and abrogated the Act." Mr. Browne (Q. 2359) considers the letter to have "virtually condemned and annulled the Act of 1844." Another witness (Lister, Qs. 2552, 3066, 3068) apprehends "that the Bank would have had to shut its doors in a week, unless the law had been violated."

On the other hand, Mr. Samuel Jones Loyd states his opinion (Q. 1483), that "although the letter was a departure from the positive provisions of the Act, it was not a departure from the principle of the Act." This is a distinction which the Committee cannot recognise. The force of the enactment

was clear and intelligible. The treasury letter authorised a departure from that principle, and even recognised the possible necessity of applying to parliament for indemnity. A sanction was thus given to a course unwarranted by law. No issue, it is true, was made beyond the powers of the Act of 1844; but that issue, if it had been made, was authorised by the letter of the government; and, practically, the consequences were precisely the same as if the Bank had made such issue. Mr. Loyd states (Q. 1500), that the "Bank did nothing under the letter; the amount of notes with the public was not increased; that power was not exercised." The letter was nevertheless actively and powerfully operative. "The issue of the letter to a considerable degree relieved the money market," observes Mr. Norman, "by holding out to persons the certainty that they might get accommodation, whereas before they feared that they should not." (Q. 2711.) The amount of notes hoarded by bankers and commercial men was at once released. (Cotton, Q. 3262.) These notes have been estimated by Mr. S. Gurney at about £4,000,000; and this acted as effectually as if an additional issue on securities had been made by the Bank.

This effect is well described in the following extract from the evidence of Mr. Glyn. (Qs. 1736-1739.)

"It produced the same effect as if the Bank of England had made an issue; because it brought out the hoards of notes, and they went into circulation. It thereby added to the circulation of the country, and it removed the cause of the panic, which is stated to have arisen from the Act of 1844.

"Looking at the state of the reserve after the letter of the government came on the 23rd of October, through October, November, and December, and seeing that the reserve constantly rose, and that at the same time the bullion rose with it, did not that favourable turn in the affairs of the Bank, and in the facility of the circulation of the country, arise from the Act of 1844 being set aside by the letter of the government?—I consider that the letter of the government of the 25th of October having in effect got rid of the clause in the Act of 1844 which limits the amount of the circulation to £14,000,000, produced the effect alluded to."

The salutary consequences of this step were recognised gratefully by almost every witness, even by those most favorable to the Act of 1844. "All alarm appeared to have ceased on the issue of the letter," observes the governor of the Bank; (Q. 198) and subsequently adds, "what restored confidence was the letter of the government, allowing the Bank to make any advances without reference to the Act, at a given rate of interest. We did not so much want the money, but we wanted a certainty that if we did want it we should get it." (Q. 260.) The opinion of Mr. Horaley Palmer, is equally decisive. "In Autumn of 1847, the demand for assistance was so much increased as to place the Bank in imminent danger by granting it, and which nothing could have relieved short of the relaxation of the law which took place." (Q. 698) Mr. Samuel Gurney illustrates this statement by his own case. He observes,—(Q. 1120).

"We required about £200,000, and had it at 9 per cent. On the Monday morning we had again a very heavy demand upon us; and we applied to the governor, and said, that to supply Lombard Street with what was wanted we should require £200,000 more. It was a case of difficulty for the Bank under its reduced reserve, and under the limitation of the Act. The governor postponed a decision on our application to two o'clock. At one o'clock, however, the letter from the government authorising relaxation was announced. The effect was immediate. Those who had sent notice for their money in the morning sent us word that they did not want it, that they only ordered payment by way of precaution. And after the notice we only required about £100,000 instead of £200,000. From that day we had a market of com-

parative ease. The alarm lessened; and by the end of the week we had to ask as a favour of the Bank to be allowed to repay the money which we had borrowed of them."

Nor was this immediate and effectual relief confined to the metropolis. As the pressure had been general, so, likewise, was the relief. The Committee have had a letter given in evidence, from which the following extract will strikingly exemplify the effects of the government interference as felt in the great commercial town of Liverpool. (Q. 2080.)

"The state of things immediately previous to the promulgation of the government letter of 25th October was perfectly fearful, and, I believe, without precedent in the commercial history of this country. Bills of exchange of the first quality in themselves, and to which this and other banks were willing to add their endorsement, were absolutely inconvertible into cash; and it is my firm belief that many houses, who were not merely solvent but able to pay 40s. and 60s. in the pound, must have stopped had the government letter not been issued. Immediately on the issue of that letter the whole difficulty was removed. Not only were our bills available at the Bank of England, but with all the discount brokers; they were, I may say, eagerly sought for by the country banks, and by private monied parties seeking for investments, at even lower rates than the branch Bank of England here was willing to discount at. This showed, beyond dispute, I think, that the scarcity of money was artificial, not real, and that the panic was a moral one, caused by the mischievous and whimsical provisions of the Bank Act of 1844, and not by want of confidence in the securities (the bills of exchange) themselves, for the securities remained, of course, precisely the same after the 25th October as before that date. I have no hesitation in stating that, in my opinion, the letter of 25th October virtually annulled the Bill of 1844, and saved the country from an almost universal stoppage of payments, in which the banking department of the Bank of England would have been included."

It should not be forgotten, that the recommendation of the Treasury, though imposing the condition of a minimum rate of interest of eight per cent., was wholly unrestricted as to the amount of advances authorised. Unless it had been so unrestricted in amount, it would probably have failed. It placed the Bank, so far as the authority of the government could do so, in the position in which it would have stood if the restrictions of the Act of 1844 had never been enacted, or had been repealed. "The remedial character of the measure," observes Mr. Loyd, "was not the discounting at eight per cent., but the declaration to the public, that at eight per cent. interest, there was an unlimited supply of bank notes at their command. The Bank could not possibly make that offer without the sanction of the government." It was the knowledge on the part of the public, that there was actually the "Power given to the Bank to advance any quantity of notes without limit, that produced the effect. Without the authority of the government the Bank could not have produced that confidence." (Q. 1532.)

It is true that the governor and deputy governor of the Bank are inclined to think that the letter of the 25th October might have been dispensed with, so far as they were concerned, and that the Bank of England might have been placed in a position of safety by precautionary measures; and a resolution was entered into, on the 25th October, by the Court of Directors, expressing an opinion, "that no deviation from the provisions of the Act of 1844, regulating the currency, was required in consequence of any difficulties on the part of the Bank;" but that they consented to the measure recommended by Her Majesty's government on the grounds of public necessity urged by the First Lord of the Treasury and the Chancellor of the Exchequer." (Q. 40.) It becomes therefore essential to consider the actual state of the Bank of England at that time, to ascertain whether that was a state of safety

or not, and whether any remedial or precautionary measures have been suggested, which, by rendering the Bank secure, would have made the suspension of the law by the authority of the Government unnecessary; for unless a step involving such extraordinary responsibility and so undisguised a departure from the law were indispensable, it could not be justifiable. Its absolute necessity was its sole justification.

The state of the Bank Reserve on the 23rd October is shown to have been as follows:—

Date.	Reserve.	London.	Country.
1847, Oct. 23.	\pounds Notes.. 1,547,276 Coin .. 447,240 <hr/> 1,994,516	\pounds Notes .. 981,615 Gold Coin 209,844 Silver Coin 104,045 <hr/> 1,295,504 Country 699,012 <hr/> 1,994,516	\pounds Notes .. 565,655 Gold Coin 78,399 Silver Coin 54,958 <hr/> 699,012

But on the 23rd October it had been intimated that the government letter was to be issued on the 25th, and it was understood that the Bank was to act on the 23rd according to the spirit of that government letter. The accommodation given in consequence on the 23rd October was on that understanding, and the reserve was necessarily to some extent diminished. On the 30th October the account stood as follows.

Date.	Reserve.	London.	Country.
1847, Oct. 30.	\pounds Notes.. 1,176,740 Coin .. 429,384 <hr/> 1,606,124	\pounds Notes.. 568,470 Gold Coin 151,053 Silver Coin 105,787 <hr/> 825,310 Country 780,814 <hr/> 1,606,124	\pounds Notes.. 608,270 Gold Coin 119,554 Silver Coin 52,990 <hr/> 780,814

Thus the reserve of notes, which had been £2,630,000 on the 16th October, had fallen on the 23rd to £1,547,000, and to £1,176,000 on the 30th October, having decreased nearly £1,500,000 within the short space of fourteen days. At this last period, of the total reserve of notes, amounting to £1,176,740, no more than £568,470 was held in London, making, with the gold coin in the banking department, £719,523. At the same time, the private deposits for which the Bank was responsible amounted to £8,580,000, independently of upwards of £4,766,000 of government deposits. (Q. 703.) The total deposits on the 30th October were £14,500,000; the deposits of the London bankers being more than £2,000,000 at the same time. In reference to this state of things the following important evidence was given by the governor and deputy governor of the Bank of England. (Qs. 21-23.)

"You had only £1,600,000 in the banking department for the payment of your liabilities?—Yes.

"If anybody had called upon you for anything beyond that million and a half you must have stopped payment?—Yes, we must.

"At that time if there had been no separation between the two departments, and the Bank of England had been conducted on its old principle, instead of being within one million and a half of stopping, there would have been very nearly £8,500,000 of treasure in your vaults?—We should have had £8,500,000 in our vaults."

It is, however, right to add, that the same witnesses state that they could not admit that the Bank was in any danger of suspending its payments. (Q. 38.) "We should not have been able to give the same extent of accommodation that parties were requiring of us. We might have put into account a considerable sum by selling consols. We had going off weekly bills to the extent of £1,500,000; so that by discounting even at the rate of £100,000 a day, to give the public some accommodation, our reserve would still have increased at the rate of £900,000 a week. It is certain that in a very short period we should have as large a reserve as would be necessary for our purposes, and therefore the Bank was never at any period in jeopardy."

The correctness of this conclusion, however, depends on the practicability of the remedial measures recommended; namely, first, the sale of stock, and secondly, the limitation of discounts. A further question also remains,—assuming these measures to have been practicable and successful, for the security of the Bank, in the first instance, whether their consequences would not have been ruinous both to public and private credit, and ultimately fatal to the Bank of England itself. These questions the committee now proceed to consider.

1. *Sale of Consols.*—At the end of October, it appears from the statement of the governor of the Bank, that the amount of stock held in consols and reduced was from two millions to two millions and a half; the remainder of the public securities held was the dead weight, being annuities for terms of years, which are not always so easily disposed of. (Q. 84.) The governor considered that the Bank might easily have availed itself of two millions of three per cents. But this stock, even if it could have been sold to that extent, would not have strengthened the reserve to the extent of amount sold. On this point the same witness gives the following important information: (Qs. 212-216.)

"Will you state what effect you conceive would have been produced upon your deposits if you had proceeded at that time to sell securities to any considerable extent?—My impression is, that supposing we had sold securities to the extent of about two millions, it is probable that the deposits might have been affected to the extent of about one million, so that by selling two millions of securities we might have strengthened the reserve by about one million."

"The reason why it would have the effect of reducing the deposits is, that the act of selling securities would naturally make securities cheaper, and parties having deposits at the Bank might be induced to employ a portion of their deposits in the purchase of securities in consequence of securities being cheaper."

"If we had sold to the extent of two millions it might have affected us to the extent of one million. But I think we may assume that money upon the Stock Exchange is, generally speaking, cheaper than it is elsewhere; the consequence is, that we might take money out of the Stock Exchange without its generally affecting the country for some little period, and, therefore, the action of drawing out the deposits might not be so rapid as would otherwise be the case." (Q. 219.)

But this is strongly controverted by many of the most intelligent witnesses, who doubt whether securities to this amount could have been found saleable at all, at the period referred to, except to an enormous loss. Mr. Horsley Palmer was asked,

"What would have been the difficulty of effecting sales of securities?—The difficulty would have been in finding bank notes to pay for them. I think the Governor did try to sell a small amount of funded property at a reduction of two or three per cent., about the 21st of October, but it would have been quite impossible in the state of public feeling that then existed to have gone into the market with a million or a million and a half of securities, and have found bank notes for them."

"Would it not have been attended with great distress to many parties?—Unless the prices had been forced down to sixty or sixty-five, or some enormous reduction, bank notes could not have been procured." (Qs. 707, 708.)

It should be borne in mind, in reference to this evidence, that the witness examined is a leading Director of the Bank of England, and one who was specially conversant with all the events of 1837 and 1839, with the extent and resources of the Bank, and the possibility of making these resources available at a time of commercial pressure. This opinion was carried still further in his subsequent examination, which was as follows:—(Qs. 821, 822.)

"Supposing that in the month of October, when the reserve of the Bank was low, and when the public were aware that the reserve was low, the Bank had proceeded to sell stock to the amount of £2,000,000, do you think that would have had any material effect upon the funds or not?—I think it would have forced the price of three per cents. to sixty. There is no price that I can name that they might not have fallen to. If any violent measure of that sort had been taken no one can say what might have been the consequence. I do not believe that the Bank could have got two millions sterling of notes by selling stock towards the middle and end of October."

This conclusion is borne out and fully confirmed by the evidence of Mr. Glyn at a subsequent period. Mr. Glyn may be taken as a fair representative of the London Bankers, and as giving the result of thirty years' experience the money-market. (Q. 1865.)

"You said that it would not have been possible for the Bank to sell stock to any great amount at the period of panic?—I believe not. On the 23rd of October £200,000 was sold with some difficulty."

"Are you aware that it was the opinion of the Bank broker that a very large sum might have been sold without materially affecting the price of stocks?—I was not aware that the Bank broker had stated that. I should say, from what I saw at the time, that the sale of a million or two millions, which were the figures talked of would have been almost impossible, without knocking down the funds to such a price as would have created a further panic."

Mr. Browne, M.P., an extensive American merchant, expressed the same opinion in still more unqualified terms. (Q. 2398.)

"Supposing they had not taken that course, but had felt it necessary to recruit their reserve by the sale of securities, do you think that the circumstances of the stock exchange at that time would have admitted of the sale of a million or two millions of stock or exchequer bills?—I do not think it would, without very great sacrifices; and if the panic had been equal to what we might suppose it might have been, under such circumstances, I doubt whether they could have been sold at all."

"But even assuming that they could have been sold at a considerable sacrifice, would not that have entailed the consequence, not only of a sacrifice to the Bank, but of a sacrifice to all the holders of public securities?—Certainly, I think the remedy would have been worse than the disease."

The attention of Mr. Tooke was called in the following manner to the

evidence given by the governor of the Bank on this subject, and the questions and the commentary are so important that the Committee think it right to bring the whole passage under the observation of the House. (Q. 3140.)

"You alluded to the jeopardy in which you conceived the banking department of the Bank to have been placed in September, 1847. Your attention is requested to an answer which was given by a witness before this Committee. 'I cannot allow that the Bank was in any danger of suspending its payments. I will take the reserve as it read on the Friday night, previous to the letter being issued on the Monday. I do not take the Saturday, because we were then acting under the expected issue of the letter. The Bank reserve at that period, the Friday, was £2,376,000. We should have had no difficulty whatever in meeting all our liabilities. We should not have been able to give the same extent of accommodation that parties were requiring from us. Parties came, and thought they had only to ask for money, and they would have it at once. We might have put into the account a considerable amount by selling consols. We had going off weekly bills to the extent of about £1,500,000, so that by discounting even at the rate of £100,000 a day, to give the public some accommodation, our reserve would still have increased at the rate of £900,000 a week. It is certain that in a very short period we should have had as large a reserve as would be necessary for our purposes; and therefore I maintain that the Bank was never at any period in jeopardy. (See *Morris*, Q. 38.) If you were told that such was the opinion of the governor of the Bank of England, would you say that he took a very erroneous view of the situation of the Bank at that moment?—It would entirely depend upon what is meant by the term 'Jeopardy.' I did not go the length of saying, that I thought they could not maintain their payments, but I considered that they would be in very great difficulty in doing so. I do not imagine that the governor of the Bank or any body could form any adequate conception of what might or might not have been the difficulty of the week following the 23rd of October. The Governor talks of selling consols. It might be. But I can easily conceive a state of things in which the Bank could not have sold consols at all. If they had withheld bank notes from the public to the extent which is supposed in that answer, I do not believe that bank notes would have been found to pay for the consols."

2. Limitation of Discounts.—The remedy of diminishing the discounts would have led to many of the same consequences with those attending a forced sale of securities. This measure would undoubtedly have increased the panic, by aggravating the pressure, and without supposing any combined movement on the part of the depositors to call up their deposits, necessity and private interest must have led to that result. The deposits available on demand must to a certain extent have been called for to supply the place of the discounts reduced or withheld, and the Bank would have had to encounter an inevitable loss on the one hand, whilst fruitlessly endeavouring to secure a contingent advantage on the other. In the course of this process it is scarcely necessary to point out how much the commercial difficulties must have been aggravated. This cannot be denied even by those who anticipate that the Bank might have been relieved, and the Bank reserve strengthened. But if the effect had been to increase the pressure and alarm to a greater degree, by the limitation of the discounts, than that alarm and pressure were mitigated by the augmentation of the reserve, the condition of the Bank, already shown to be perilous, would have necessarily become still more alarming, and "the remedy might have proved," to use the words of a witness already quoted, "still worse than the disease."

On these grounds, and not relying with any confidence on either of the remedies proposed by the Bank, as likely to have proved safe or effectual, and believing that, even if adequate for the special interests of the Bank, they would

have entailed upon the public, as well as on the commercial classes, discredit, loss, and suffering, the committee again repeat their approval of the treasury letter of the 25th of October, which, as an extraordinary assumption of responsibility, dispensing with the restrictive provisions of the act of 1844, and inconsistent with them, would not otherwise have been justifiable, but, on the contrary, would have exposed the government to well-deserved censure.

The Efficiency of the Circulation not identical with its Money Amount.

The committee have hitherto confined their observations to the practical effects which the act of 1844 has had upon the commercial distress of 1847. They feel it their duty to consider, likewise, some more general questions, which, whilst they have essentially affected the period of distress, are also of more permanent and universal application. The inflexible rule, considered to be invariable and self-acting, and adopted by the legislature as connected with and consequent upon the separation of the departments of issue and of banking, and the regulations provided for both, is founded on certain principles which before they can be adopted demand very serious examination. The act appears to assume that one fixed amount of notes out of the custody of the Bank, and in the hands of the public, will at all times produce the same effect, and will be governed by the same laws. Unless this proposition be true the uniform and fixed rules of the act of 1844 can hardly be justified. It seems to have been on this principle alone that the following evidence of Mr. S. J. Loyd has been given. He was asked whether, in consequence of the low state of the reserve in 1847, the Bank were not constrained to put a very heavy pressure on commercial accommodation. He answers, (Q. 1416).—

“I totally deny that fact, and I appeal to the published returns in support of the denial. At the very moment spoken of, the total amount of securities in the hands of the Bank was £31,000,000, and the total amount of the private securities was £20,000,000, an amount almost I believe altogether without a precedent. Therefore I cannot understand how any person can say that at that time the Bank of England was putting a severe pressure upon the mercantile world, when in point of fact, the notes in the hands of the public were to an amount almost unexampled, and whilst the amount of accommodation given to the public by the Bank in the form of discounts was an amount which I believe had never been known before.”

It would appear that in this answer Mr. Jones Loyd looks mainly to the numerical amount of notes issued by the Bank, and assumes that the accommodation possessed by the public may be measured by that amount, and by the corresponding securities in the hands of the Bank. On considering the evidence given before the committee, this will be shown to be a defective standard. This inference may be drawn from the following evidence of Mr. Horsley Palmer. (Q. 912.)

“In answer to some questions that were put to you with respect to the amount of notes issued by the Bank about the month of October 1847, you stated to the committee upon a previous occasion the amount of notes then out. But is it not the fact that that is not the measure of their activity in the market? Was not a considerable portion of the issue in October, 1847, an issue rather for the purpose of precaution and reserve than for active circulation in the country?—I believe, from the best opinion I can form, that there were nearly £3,000,000 of notes issued merely for the maintenance of credit, and not required for circulation.”

The governor of the Bank, whilst fully confirming the fact stated by Mr. Loyd, draws a distinction in relation to the notes out of the hands of the Bank; which establishes the principle which the committee are now investigating. It was not that there was an insufficient amount of accommodation given to the public, but that the public were hoarding notes; bankers would not part with

their money, and country bankers had a large amount of notes sent down to them.

Mr. Norman draws the same distinction. (Q. 2718.) He states in reference to this period, that the amount of the circulation was high, at least much higher than on many former occasions; but the panic occasioned much hoarding.

"Therefore it diminished the amount of paper that was actually in circulation, and diminished the activity and efficiency of the circulation?—The spirit of hoarding diminished the efficiency of the circulation."

This spirit of hoarding, as it is here termed, refers to the necessity under which every banker or commercial man finds himself in times of internal discredit and alarm. He is compelled in prudence to increase his reserves, and then to withdraw notes from active circulation. This obvious fact is stated by Mr. Loyd in reply to the question:—

"Does not such a state of disturbance of public confidence necessitate an increase of the reserves which all men under great pecuniary engagements must keep in order to answer those engagements?—In a period of disturbed confidence the reserves of bankers are augmented." (Q. 1425.)

The experience of Mr. Samuel Gurney leads him to the adoption of the same principle, and his calculation of its practical results in 1847 carries him even beyond the conclusions of Mr. Palmer.

"When you say that a diminution in the amount of the reserve in the Bank and of the bullion in the Bank occasions scarcity, it only occasions scarcity inasmuch as it obliges the Bank to diminish its accommodation to the public?—Clearly. But I would go on to say, that several causes began to operate upon the rapid rise in the value of money. (I am now speaking of August, October, and November.) The failures began to take place in August. The number of failures in each week was increased, and was at last followed by a considerable panic. The effect of that panic was to cause very general distrust, and a gradual running down of the reserved fund of the Bank as well as of the bullion. After a little time people began to think, under the influence of this panic, how are we to get circulating medium? And the wealthy and more powerful took care very largely to over-provide themselves, and drew upon the reserves of the Bank infinitely beyond the real necessities of the case. The consequence was, that the amount of notes in the hands of the public amounted to nearly £21,000,000; and I have not the slightest doubt that at that period at least from four to five millions sterling of the notes issued were locked up and inoperative, in consequence of the alarm and of a fear of not being able to get bank notes at all."

On a subsequent day Mr. Gurney confirmed this evidence, and described in a very striking manner the contrast which exists between the effects of a smaller amount of Bank notes in times when no alarm exists and a much larger amount during a period of discredit.

"I wish to call the attention of the committee to the fact, that at the end of October of last year the amount of bank notes in the hands of the Bank was £20,800,000. At that period there was great difficulty in getting possession of Bank notes in the money market. This arose from the alarm of not being able to get them, in consequence of the restriction of the Act of 1840. At present the amount of Bank notes in the hands of the public, according to the return in the last *Gazette*, is £17,700,000, but there being now no commercial alarm whatsoever, it is much beyond what is required. There is no banking house or money dealer in London, but what has a larger amount of Bank notes than they can use." (Q. 2645.)

Although the answer of Mr. Loyd (1416), already referred to, might seem to clash with the evidence of Mr. Palmer and Mr. Gurney, an admission of another and of a sounder principle may be deduced from his subsequent

evidence. Mr. Loyd had been examined before the Committee on Banks of Issue in the House of Commons, and the following reference was made to his previously expressed opinions.

"In the evidence which you gave before the House of Commons Committee (1423) in July, 1840, you stated, in reference to the state of things in the month of June, 1838, 'There arose a state of great public alarm, which acted in a manner tantamount to a contraction of the circulation.' Taking that principle so clearly laid down by you into account, would the amount of notes which had been issued from the Bank measure the amount that were in actual circulation at that time?—I consider that the amount of notes in the hands of the public, and the amount of notes in the Bank till, constitute the amount of notes in circulation. It is perfectly true that the circulation may be in a more active or in a more dormant state. It is perfectly true that the same amount of notes will at different times be more efficient in performing the functions of circulation; that in proportion as confidence is firm the circulation is more efficient, and as confidence is shaken circulation becomes less efficient. A diminished efficiency of circulation and a contraction of the amount in circulation may in some respects produce the same results; but they are still totally different things."

No explanation seems to have been given of the difference between the diminished efficiency of circulation produced by alarm, and an actual contraction in the amount of circulation to which it had in 1840 been considered as tantamount. The governor and deputy governor of the Bank of England, on the other hand, appear to recognise and admit the principle laid down by Mr. Horsley Palmer and Mr. Gurney. Their evidence is as follows:—

"Is not the rapidity of circulation of promissory notes issued by the Bank totally different in a time of panic and disturbance of credit from what it is in a time of prosperity and rising prices?—Yes." (Q. 172.)

Nor do these conclusions rest wholly on the evidence taken before the committee. The important principle, that the efficiency of the circulation cannot be estimated merely by its numerical amount, however that numerical amount may constitute one of the elements from which its efficiency is to be inferred, rests also upon earlier authorities. The following most important passage is extracted from the bullion report of 1810:—"The mere numerical return of the amount of Bank notes out in circulation cannot be considered as at all deciding the question whether such paper is or is not excessive * * * The effective currency of the country depends on the quickness of circulation, and the number of exchanges performed in a given time, as well as upon its numerical amount; and all the circumstances which have a tendency to quicken or to retard the rate of circulation render the same amount of currency more or less adequate to the wants of trade. A much smaller amount is required in a high state of public credit, than when alarms make individuals call in their advances, and provide against accidents by hoarding; and in a period of commercial security and private confidence, than when mutual mistrust discourages pecuniary arrangements for any distant time." Nor did these considerations escape the notice of the Committee of the House of Commons of 1819. The same principle is adopted, and accurately laid down, in the following passage of their valuable report:—

"Many circumstances contribute to affect the value of the bank note,—the varying state of commercial credit and confidence, the fluctuations in the amount of country bank paper, and the different degrees of rapidity with which the same amount of paper circulates at different times."

If these principles be admitted,—and it appears impossible that they should be seriously controverted,—it is of the first importance to consider how far they are adopted in the Act of 1844, or how far the provisions of that Act are in conformity with them. On this subject the Committee will refer to the

following questions and answers from the examination of the governor and deputy governor of the Bank of England. (*Qs. 177, 222-224.*)

"Under the Act of 1844 are you not restrained from issuing your paper, even though you might certainly know that it would not go into active circulation, but that it would be used only for the purpose of restoring confidence? Are you not subject to the same regulations as if it would go into most active circulation under all possible circumstances?—Yes."

"Do not you consider that there is an entire fallacy in the supposition that a certain amount of currency out at one time produces the same action as a certain amount of currency out at another; for instance, where either coin or notes are taken from the Bank for the purposes of hoarding in times of temporary panic, do not you consider that those notes produce a totally different effect upon the circulation from what they would produce if they were taken from the Bank in a time of active commerce and rising prices?—I consider that the same amount of notes will act very differently according to different circumstances. When £2,200,000 additional gold had gone into circulation, of course a large amount was hoarded, and was an abstraction of that portion of the circulation which would otherwise have been usefully engaged."

"It is no longer a currency?—It is no longer a currency."

"How do you reconcile with those answers a rule which is governed universally by the amount of notes, assuming them to be homogenous in their nature, and to produce the same effect upon currency and prices under all circumstances, without considering whether the notes are to be hoarded, or to be put into active circulation?—(Mr. Prescott.)—I conceive, certainly, that in time of panic the money market will bear the issue of a greater quantity of notes than it will in ordinary times, for the ordinary purposes of trade, without affecting the exchanges."

The extent to which the disregard of the great principle which regulates the efficiency of the circulation is carried, and the consequence of adopting the inflexible rule of the Act of 1844, which assumes the same amounts of currency to be at all times equivalents, are most strikingly described by the following extract from Mr. Gurney's evidence:—

"The panic of April very soon passed away. It was, however, attended with great temporary inconvenience, yet it was not so prolonged as to produce failures. As I stated before, in the beginning of August the panic which spread through the autumn, and lasted till near the end of the year, commenced by the failure of many houses in the corn trade. There was a sufficient cause for these failures, which were not owing to this Act at all. Alarm increased to the pressure of other houses; it shook credit; and other houses, which were in dubious condition, failed. Alarm increased; great depreciation in the value of mercantile property followed, as also of funded property. Afterwards the pressure reached houses that ought not to have failed, houses that had been fairly conducted, and were solvent. Now, so far as this, I think the Act had not much to do with it. The amount of bullion in the Bank remained large; not less than eight millions sterling. About the end of September, alarm spread to a fear of getting circulating medium, in consequence of the restriction of the Act. The Bank raised their rate of interest very high; that increased the alarm, and a state of extreme panic was the consequence. Had it not been for the alarm, the notes in the hands of the public would have been superabundant. We should have had a great number of failures, and a great amount of mercantile calamity, at all events; but we should not have had the same degree of calamity or panic, neither would the rate of interest have been so high. There was no real cause that the rate of interest should have got up to what it did. The extent of the calamity was the effect of the Act, and the Act only."

Many other statements, authorities, and illustrations might be given, exemplifying the same principles, and proving the evil consequences of disregarding them; but enough has been stated to prove, in the judgment of the Committee, that the inflexibility of the rule, prescribed by the restrictive clauses of the Act of 1844 is indefensible, when equally applied to a state of varying circulation; and that its enforcement in 1847 was an aggravation of the commercial distress, and was therefore wisely set aside by the authority of the government on the 23rd and 25th of October.

Inapplicability of the same Rule to Periods of Favourable and of Adverse Foreign Exchange.

The Committee will now proceed to consider an analogous question; namely, the connection between the act and the state of the foreign exchanges. It will be observed, that the two questions of the efficiency of the circulation, and of the contrast existing between a favourable and adverse state of foreign exchange, are intimately connected; internal demand, the hoarding of notes and coin, and the increase of banking and commercial reserves, being frequently the concomitants and consequences of a state of things perfectly compatible with a favourable foreign exchange.

In order to make their observations in respect to the foreign exchanges more intelligible, as applied to the year 1847, it is expedient to bear in mind the leading facts of the case. Two different periods of pressure occurred in that year, the one in April, the other in October. These two periods were clearly distinguishable. In April the foreign exchanges were adverse, and the Bank was subject to a heavy drain of gold for export, more especially to the United States. In October the exchanges were favourable, gold was flowing in steadily, and the advices from abroad showed that more extended supplies might be depended on. This distinction, which is of the highest importance, is drawn by the governor and deputy governor of the Bank of England. (Q. 11.)

"The pressure in the months of September and October I consider to be a very different pressure from that in the month of April. That in the month of April arose principally in consequence of the pressure from the export of the precious metals, and the circulation becoming more contracted, whereas I consider that in October to have arisen from a state of panic."

On further examination (Q. 142) the governor stated, "the exchanges in October were favourable for the importation of the precious metals. In April, 1847, gold was going to America." The following evidence of Mr. Horsley Palmer is confirmatory of the same fact:—(Qs. 727-729.)

"Comparing the pressure in October, 1847, and the pressure in April, did not the chief distinction between the two consist in the different state of the foreign exchanges at the two periods?—The unfavourable exchange ceased about the middle of April.

"The exchanges were favourable in the month of October?—Yes.

"And favourable during the whole of the intervening period?—Yes."

The same fact was stated by Mr. Cotton, on 31st March; "after the month of April all the exchanges, he believed, were favourable; the importation of the precious metals was going on through the whole period." (Q. 3222.) The contrast will appear still more striking when it is recollected that in spring the drain of bullion amounted to £9,000,000. (Q. 12.) The subsequent state of things marks the change that had occurred. This is likewise stated by the governor in his evidence. (Q. 126.)

"Had not the demand for the export of bullion ceased a considerable time before the panic took place?—Bullion was coming into the country in August, September, and October, 1847. Before the panic had taken place bullion was

coming in to a small amount. From the first of August to the 30th of October £1,373,000 was purchased by the Bank."

It is true that, contemporaneously with this foreign influx, there was a drain of bullion from the Bank; but the governor of the Bank explains the cause of this, and distinguishes it clearly from the drain of the month of April. (Q. 137.)

"You stated that the exchanges turned, and that there was an influx of bullion as early as the month of August. Now it appears by these returns that, notwithstanding that, there was a gradual diminution of bullion in the issue department of the Bank from that time, down to the end of October; how do you account for that?—I have stated that there was an internal demand. I think that 2,200,000 sovereigns went out into the country in consequence of the internal demand, and therefore the bullion in the Bank decreased, although the importation had taken place."

This evidence is sufficient to establish undeniably the difference between these two periods. The Committee now proceed to examine what has been laid down, on the highest authorities, as the sound rule on which banking transactions ought to be regulated under these contrasted circumstances. That a different course ought to be pursued in reference no less to the interest of the Bank than to the interests of the public, is stated by many witnesses. The following questions and answers convey the opinion of the governor and deputy-governor of the Bank. (Qs. 143, 145.)

"Do not you think that the management of the Bank with respect to the amount of its issues and the facility of discounts ought to be upon a different principle when the exchanges are adverse and when they are favourable?—When the exchanges are adverse, and gold is going out of the country, naturally the Bank cannot help taking measures to protect themselves, because it acts upon their reserve, and therefore naturally it would induce more caution.

"Independently of the Act of 1844 altogether, and looking at the prudential management of the Bank, do you not consider that it would be expedient to be cautious and restrictive in the amount of banking accommodation given when the exchanges are adverse; and that, on the other hand, there might be a freer management of the banking resources when the exchanges are favourable?—I should say, that when the exchanges are against the country, and gold is going out of the country, we should naturally be cautious, because we feel the effect almost immediately. With respect to the other question, which I understand to refer to October,—the period when gold had been coming into the country,—I should say that we had then internal distress acting against us, and therefore there would not be the same circumstances that might guide us as upon other occasions; but the internal demand taking place, we were equally bound to provide for that as for the external demand. We are talking about gold, but I consider that in the banking department we have nothing to do with that. I look at the state of our deposits and other liabilities, and the reserve in the banking department.

"The question refers to the general principles of banking management; supposing the Bank were altogether free from the obligations of the Act of 1844, would not you as a banker feel it expedient to act with more caution with respect to your banking reserve at a time when there was a foreign efflux of gold than at a time when gold was coming in?—Decidedly."

When Mr. Horsley Palmer was asked whether a different rule ought not to be applied to the two cases under consideration, his answer was as follows;—(Qs. 731, 732.)

"Do you, from your experience connected with this subject, conceive that it is defensible in reasoning, or maintainable in practice, that in managing the Bank the same rule should be applied to the case, whether the foreign ex-

changes be favourable to the country, or adverse to the country?—I think it is always in the power of the Bank to protect itself against a foreign demand, but it is totally impossible to protect itself against an internal demand.

"The question is with respect to the restriction imposed upon your issues for the accommodation of the public, whether you think that it is defensible in theory, or maintainable in practice, that you should have the same rule in managing the Bank when the exchanges are adverse and when the exchanges are favourable?—Certainly not."

Nor does this seem to be controverted in principle, even by the witnesses who differ the most from the opinion of Mr. H. Palmer. Mr. S. J. Loyd, on having the question distinctly brought before him, comes to the same conclusion; nor is this in the slightest degree affected by the distinction which he afterwards draws, and on which he reasons. (Q. 1447.)

"Would not a different operation with respect to the amount of notes issued be rendered necessary and prudent in a case in which the exchange is adverse to the country, as compared with a case in which the exchange is favourable to the country?—The two things are separate and distinct. It seems to me that we are merely discussing about the mode of expressing ourselves; there is no real difference of opinion. Under an adverse exchange the aggregate circulation ought to be contracted; but it is possible that under an adverse exchange there may be a substitution of one portion of the circulation for another portion, which may be effected without reference to the other and distinct duty of contracting the aggregate amount of the circulation.

"Under an adverse exchange the circulation ought to be contracted: under a favourable exchange no such necessity exists?—Exactly." (Q. 1448.)

"Do you consider that under adverse exchanges a contraction of the circulation might be indispensably necessary with a view to preserve convertibility, which in a state of favourable exchanges and influx of gold would not be required with a view to preserve convertibility?—There is no necessity for a contraction of the circulation whilst gold is coming in." (Q. 1451.)

Mr. Geo. C. Glyn connects these principles more distinctly with the events of 1847, and in that respect renders them more immediately applicable to the questions referred to the Committee. Adverting to the case of 1825, in which credit was restored and panic removed by a large issue of notes, even when the amount of bullion was reduced to its lowest point, (but which example should always be considered in relation to the fact that at the close of the year 1825 a large withdrawal of the paper of insolvent country banks had taken place, for which, to a certain degree, the increased issues of the Bank of England were then substituted,) Mr. Glyn proceeds in the following manner:—(Qs. 1764-1769.)

"In that case, that of 1825, the increased issue of bank notes, in place of creating a demand for gold, had the effect of bringing back the gold into the coffers of the Bank?—No doubt it did.

"The contrary effect would have been produced if the exchanges had been against the country?—Yes.

"Therefore you distinguish clearly between the case of an external and of an internal drain?—Yes; the foreign demand for gold was met in April last by raising the rate of interest.

Which you think was right?—Perfectly right.

"An internal drain is the effect of apprehension?—The effect of alarm.

"Is not the gold in that case much more likely to find its way back again to the Bank than in the case of a foreign drain, which must wait the improvement of the exchanges?—No doubt about it. Remove the cause of alarm, and the whole thing will take its own natural course, and the gold will flow back again.

"Placing the Bank of England in the position in which it stood during

the last year, and supposing it to be left to act at its discretion upon the currency, do you think it possible to determine the point at which its duty would have been to abstain from diminishing the circulation, and to commence extending its accommodation?—I think it might. In 1847 the periods were very clearly and distinctly marked; and that when this pressure came in October, 1847, the exchanges both with the United States and with the Continent of Europe had set in so decidedly in favour of this country, that there could have been no apprehension of danger by enlarging the circulation. (Q. 1774.)

“Have you attended particularly to the course of events in the last year so as to be able to say at what point you think the Bank of England ought to have altered its course and extended its accommodation if it had the power?—I should put it about the month of September.

“Do you think that the state of the foreign exchange is an invariable index of the nature of a pressure; that is to say, can you, from the state of the foreign exchanges, ascertain whether it is an internal or an external drain?—Certainly. You can always tell whether it is a demand for gold for export.

“You consider it an invariable index, so that there is no difficulty in determining the nature of the pressure?—Yes; from the fact of the exchanges being against this country.

“You can always ascertain whether it be the fact that gold is going out of the country?—Certainly.” (Qs. 1778, 1790.)

The Committee have hitherto considered the question of the distinction between periods of an influx or efflux of gold, produced by the exchanges as affecting the Bank of England only. But the subject requires further investigation in relation to the effects produced on private credit and private interests, by confounding these two cases. It would appear from what has been already stated, that if an extension of currency were to take place when the exchanges are adverse, the convertibility of the note would be endangered; a contraction of the currency is consequently called for. If, on the contrary, at a time of internal discredit, but of a favourable exchange, the same contraction should be applied to the currency, panic must ensue with all its formidable consequences. The following question and answer exhibits the consequences of both alternatives; they are taken from the evidence of Mr. Glyn. (Q. 1921.)

“Your attention is requested to the following answers which were given by Mr. Jones Loyd before a Committee of the House of Commons in 1840, in reply to questions from Sir Robert Peel:—‘You have stated that it is difficult to guard against the consequences of a drain of the bullion of the bank arising from internal causes?—Yes. One of those internal causes might be alarm, and perhaps unfounded alarm, as to the solvency of a particular establishment; as, for instance, to the means of the Bank to pay its notes in gold; and that might be one of the causes of a drain of gold?—Certainly. Supposing there was some very eminent mercantile house that foresaw the probability that it would be unable to fulfil its engagements on a certain day, might not the failure of that house contribute to increase that alarm?—Certainly, it might tend to spread that alarm. Might not the failure of one house lead to the failure of other houses?—Certainly. Might not the alarm go on increasing in consequence of repeated failures?—Certainly. Supposing the Bank prevented the original failure by giving a timely supply of notes to that house, might not the Bank prevent, by that timely supply, and by supporting the credit of the individual house, the origin of this unfounded alarm?—Undoubtedly. Might not, in that case, the Bank contribute to support the public credit?—Undoubtedly it might.’ Do those questions and answers describe a state of things in which, in your judgment, commercial credit might

be safely assisted if the Bank was left free to use its own discretion, but from which it would be restrained under the operation of the Act of 1844?—Clearly; always reserving the point as regards the state of the foreign exchanges.”

These answers, it may be thought, are hypothetical; they were, however, subsequently illustrated by a real case. Mr. Glyn was asked—(Qs. 1800, 1802.)

“Do you recollect the period at which considerable accommodation was given by the Bank of England to the Northern and Central Bank?—I do.

“That was a matter of controversy at the time?—Great controversy.

“In the evidence given in the year 1841, Mr. George Norman was examined upon that subject, and, in reply to a question whether it was expedient that that assistance should be given, said, ‘Yes, I believe it was. The Committee will observe that there was no danger then from any foreign drain; and under all the circumstances of the case I believe the Bank acted properly.’ Does not that amount, upon the high authority of Mr. Norman, to a recognition of the distinction between the propriety of granting such accommodation when the exchanges were favourable, and what the case would have been if they had been unfavourable?—It is a recognition of the principle which I think ought to actuate the government of the Bank.”

The attention of Mr. Norman was subsequently called to this case, and to his former answers, and he saw no reason to alter or to object to them. Mr. Norman, it should be borne in mind, is strongly in favour of the Act of 1844, and unwilling that any alteration should be made in its provisions.

“Do you recollect the period in 1836 when the Bank of England gave assistance to the Northern and Central Bank?—Yes, I have a general recollection of it.

“In your examination in the year 1840 you were asked, (Qs. 2736, 2737.) ‘Are you of opinion, from the knowledge which you at present possess of the state of circumstances at the time, that it was expedient that that assistance should be given?’ Your answer was, ‘Yes, I believe it was; the Committee will observe there was no danger then from any foreign drain, and, under all the circumstances of the case, I believe the Bank acted properly.’ ‘Do you conceive it probable that the internal drain on the Bank would have been increased if that assistance had been withheld?—It is possible.’ Does not that recognize a distinction between the course which the Bank ought to pursue in the case of an internal and in the case of a foreign drain?—I see nothing to object to in those answers.”

Another very memorable case occurred in the year 1837, when the great discredit of certain American houses unfortunately occurred. Of this transaction Mr. Horsley Palmer gave the following account (Qs. 771, 772.):—

“In relation to the power which the Bank has of giving accommodation without thereby aggravating danger or sustaining loss, it is stated in your evidence before the House of Commons in 1840, that the large advances given to American houses had been at that period almost entirely repaid. Have those accounts been liquidated?—Not entirely at the present time; but, as far as the accounts have been made up, I think the loss sustained will not exceed 200,000*l*.

“And that was on transactions of about 6,000,000*l*.?—Yes. Those accounts can be obtained from the Bank, if necessary, for the information of the Committee.”

“That was the means of saving those American houses?—There were three of the principal American houses that failed, but the aid afforded by the Bank rendered essential service to others engaged in that trade. Almost every house connected with America was in a state of discredit, and unless the Bank had come forward at that period, I do not believe that there were more than one or two houses that could have sustained themselves.

"And the Bank could not have done so if the Act of 1844 had been in existence?—Certainly not."

The Committee are fully aware of the danger which may result from such interpositions if they take place without just consideration, and, above all, without a strict regard to the uniform maintenance of the convertibility of the bank note; an obligation which should never be forgotten, or considered otherwise than as a primary duty.

These cases are referred to, less with a view of proving that the Bank was necessarily right in the exercise of its discretion on those occasions than to exemplify the impolicy of subjecting the Bank to an unvarying rule, depriving them of all discretion, even when the exchanges are favourable, as in October, and when the convertibility of the note cannot be affected.

Banking and Commercial Law.

BANK DEPOSITORS AND THE STATUTE OF LIMITATIONS.

FOLEY v. HILL, AND OTHERS.

In our first vol. p. 149, we gave a report of this important case, which it will be remembered was an action to recover money deposited with the defendants as bankers, but which had not been claimed for a period of six years. The defendants refused to pay the money when demanded, and pleaded the *Statute of Limitations*. The plaintiff filed a bill in equity to recover the amount, and the suit was ultimately carried into the House of Lords, where, on the 1st August last (present, the Lord Chancellor, Lords Lyndhurst, Brougham, and Campbell), the following important judgment was given in this case.

It was an appeal against a decree made by Lord Chancellor Lyndhurst, in March, 1844, reversing a decree of the Vice Chancellor of England. The respondents in 1829, and subsequently, carried on the business of bankers at Stourbridge, in Worcestershire. The appellant and Sir Edward Scott were partners in working collieries in Staffordshire, and kept a joint account with the respondents of the colliery moneys. The appellant opened a separate account for himself with the respondents in 1829, and paid in £6,117 10s. for which the bankers gave a receipt, and stated in a letter inclosing the receipt that they would allow interest thereon at the rate of £3 per cent. Cheques drawn in favour of the plaintiff upon the colliery deposits were paid out by the bankers to the bearers, and no further sum was put to his own account, but two sums of £1,700 and 2,000 were paid off the appellant's account. From December, 1831, no entry at all was found in the respondent's books in respect of this account. The appellant filed his bill in 1838, for an account of deposits and interest, charging that the same was still an open account, consisting of numerous items on each side, and could not be fairly adjusted except in a Court of Equity. The respondents by their answer, after admitting the agreement to pay the interest on the balances, stated that the account consisted of only three items, the said sum of £6,117 10s. on the credit side, and two sums of £1,700 and £2,000 on the debit side, both these sums being payments made in the year 1830, and that interest on the balances was calculated up to December, 1831, but none afterwards. They admitted that the account had never

been finally settled or balanced with the appellant, but denied that it was an open account, and claimed the benefit of the Statute of Limitations.—The Vice chancellor decreed for an account, but the Lord Chancellor, on appeal, *dismissed the bill, holding that the Statute of Limitations was a sufficient defence*, and also, that as the account consisted only of three items, it was fitter for an action at law for money had and received, than for a bill in equity.

Mr. *Stuart* and Mr. *G. L. Russell*, for the appellant, contended that it was the duty of the bankers to calculate and enter the interest on the balance in their hands from time to time; if that had been done, there would have been no room for the operation of the Statute of Limitations. A banker was not merely a debtor to his customers for deposits made; there was a relation of confidence and trust between them, which imposed on the bankers an obligation to keep regular accounts; and here there was an additional obligation of an express agreement to calculate the interest; and the allowing, under the circumstances, the operation of the statute, was allowing the respondents the benefit of their own wrong. Although the accounts show no item or entry after 1831, the respondents in their answer admitted transactions down to 1831, and the bill was filed in 1834. They submitted that the relation between these parties partook of the nature of a trust, and that the accounts were in their origin, though not in detail, of a complicated nature, and for these reasons a Court of Equity was a fitter tribunal than a Court of Law. They cited a great number of cases on these points.

The Lord Chancellor, after conferring with the other peers, above mentioned, proceeded, without hearing the counsel for the respondents, to give their lordships' judgment. They had all heard the able arguments of the learned counsel with great attention, and it was their opinion that they had not shown any sufficient grounds to set aside the decree. The bill in this case stated, that the accounts were complicated, but that was destitute of proof; the items were only three in number, and these were of the most simple kind. In this case, therefore, the interference of a Court of Equity was not called for. There was no relation of confidence or of trust between these parties, and he was surprised to hear well-known principles applicable to such relation, and to discovery in Courts of Equity, discussed upon this case. According to the arguments at the bar, every claim of one party or another would be a proper subject for a Court of Equity. After referring to several authorities in support of his view of the case, his lordship concluded by observing, that he did not think it necessary to say anything on the other defence, namely, the Statute of Limitations. He was clearly of opinion that the bill had been properly dismissed, and that the decree ought, therefore, to be affirmed.

Lord *Brougham* entirely concurred with his noble and learned friend in his view of the case. A banker was so far from being a trustee for his customer that the money of the customer became, as soon as it was deposited with the banker, the money of the banker—money which he might deal with as his own, and from dealing with which, as his own, he made those profits which enabled him to carry on his business. He was, of course, bound to return it on demand, and might sometimes agree to pay interest for it; but that undertaking on the part of the banker did not constitute him an agent or factor for the customer, but only the more emphatically showed that the money was his own, obtained by loan from his customer in the ordinary or in a special manner. He therefore concurred with his noble and learned friend, and added, what no doubt had only been inadvertently omitted, that the costs should follow this affirmation of the judgment of the court below.

The decree of his lordship was then affirmed with costs.

MINING SPECULATIONS. THE COST-BOOK SYSTEM.—
LIABILITY OF ADVENTURERS.

SKINNER AND SON V. MAY.

This case was tried at the late Devon Assizes. The plaintiffs were iron-mongers and general dealers, residing at Tavistock, and the defendant, the Rev. E. T. May, a clergyman lately residing in that neighbourhood, but now in Cornwall. In July, 1845, a company was formed to work the Wheal Concord Mine on what is called the Cost-book principle. The defendant very early joined this company, subscribing for twenty shares, and became a member of the general committee, the finance committee, and the committee of management. The mine was not a very profitable one; it had been worked through 1845 and 1846, but was now closed, and the plaintiff had brought this action against the reverend gentleman, to recover from him the sum of £68 10s. 11d. for lime, and iron, and steel goods, supplied to the mine during these years by the order of Captain Robinson. There were several pleas on the record, but the one on which the defendant mainly relied was that, according to the Cost-book principle, individual shareholders were not liable.

Mr. Snell, a mining purser, and his brother, a solicitor, were examined as to the financial state of the mine, and the working of the Cost-book principle. They explained this principle at some length—a book is kept in which the name of each adventurer is inserted, and the number of shares he subscribes for. There is also a debtor and creditor account—on the one side all sums due for goods supplied to the mine, and other expenses incidental to its working, are inserted; and on the other side, the amount received for sales of ore and other profits. The adventurers meet every two months, when this book is laid before them, and the amount balanced; if the mine is in credit (that is, if it is a profitable concern, and there are more assets than liabilities), the surplus forms the dividend, which is shared among the adventurers. If, on the other hand, the expenses exceed the receipts, then a call is made *pro rata* on each adventurer, in order to discharge the liabilities. *This is the theory of the Cost-book principle; but it appeared from the evidence of the witnesses, that it was not always carried out in practice*,—as they deposed that, in all their experience, they had never known a mine which at some period or other had not been in debt, and where the debts were not suffered for some time to accumulate without making a call, in the expectation of a more prosperous period, when the mine would be enabled, by more profitable working, to recover its credit without making a call on the shareholders.

On the part of the defendant it was contended that he was not liable; he had transferred his share more than twelvemonths since; the plaintiffs knew what the Cost-book principle meant, and they had given the credit improperly on the order of the captain, who was not authorised to pledge the credit of the mine, it being the duty of the purser to order necessary articles. By not insisting on payment at the meeting, after they had delivered their goods, they had waived their right against the individual shareholders. The rules by which the mine was worked were expressly that these debts should not be incurred, but that a call should be made, to meet the mine's liabilities.

The jury found a verdict for *the plaintiffs* for the amount claimed.

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly as no such collection of Reports has ever yet been published.—Ed. B.M.]

BIRMINGHAM AND MIDLAND BANK.

At the Twelfth Annual General Meeting, held at the Bank, on the 9th of August, 1848, Thomas Phillips, Esq., in the chair, the Directors' Report stated:—

"The year's profits, after paying the past year's income tax, and abundantly providing for every doubtful debt, amount to.....	£	s.	d.	£	s.	d.
				16,474	2	3
Deduct dividend of £1 17s. 6d. per share, paid for the half-year ending 31st December, 1847.....	4,500	0	0			
The directors recommend a similar dividend for the half-year ending 30th June last,	4,500	0	0			
				9,000	0	0
Leaving a balance to be carried to the guarantee fund of	£7,474	2	3			
The guarantee fund at the last annual meeting amounted to	29,718	0	2			
Interest to 30th June, 1848	909	11	2			
Surplus profit as above	7,474	2	3			
Bad debts written off, but recovered within the year	61	1	6			
	£38,162	15	1			

The following statement shows the progress of the Bank since its commencement.

	Rate of dividend.	Amount of dividend.	Amount carried to the guarantee fund.
		£ s. d.	£ s. d.
For year ending June 30, 1837	6 per cent.	1,691 5 9	1,507 7 8
" " 1838	6 per cent.	2,652 8 0	2,480 17 2
" " 1839	8 per cent.	3,678 15 4	3,180 6 3
" " 1840	8 per cent.	4,000 0 0	2,621 1 10
" " 1841	8 per cent.	4,000 0 0	4,081 12 6
" " 1842	8 per cent.	4,000 0 0	4,416 16 11
" " 1843	8 per cent.	4,000 0 0	717 10 0
" " 1844	8 per cent.	4,000 0 0	3,140 8 3
" " 1845	{ 8 per cent. for 1st 10 per cent. for 2nd half-year.	4,500 0 0	4,611 14 1
" " 1846	£2 10s. per share	5,893 15 0	6,938 0 11
" " 1847	£3 15s. per share	9,000 0 0	5,603 14 3
" " 1848	£3 15s. per share	9,000 0 0	7,474 2 3
Premiums on shares sold ..	....	....	7,620 0 0
Interest .....	....	....	5,753 19 1
Debts written off as bad, and afterwards recovered ....	....	....	3,015 3 11
Total..	....	56,416 4 1	63,162 15 1
Deduct added to capital ..	....	....	25,000 0 0
Present guarantee fund....	....	....	38,162 15 1

"The directors who retire from office are Messrs. Thomas Beilby and Thomas Pinches, who are eligible for re-election."

After the reading of the Report it was resolved unanimously,—

1st.—That the Report now read be received and approved, and a copy thereof, together with the proceedings of this day, be sent to every proprietor. 2nd.—That a dividend of one pound seventeen shillings and sixpence per share, for the half-year ending 30th June, be now declared, payable on or after 1st of September next. 3rd.—That Thomas Beilby, Esq., be re-elected a director of this Company. 4th.—That Thomas Pinches, Esq., be re-elected a director of this Company. 5th.—That the thanks of the meeting are due, and are hereby given, to the directors, for their attention to the duties of their office. 6th.—That the thanks of this meeting be presented to Mr. Geach, the managing director, and Mr. Edmunds, the manager, for their faithful attention to the interests of the Bank. 7th.—That the thanks of the meeting are due, and are hereby given, to John Taylor, Esq., for his services as chairman of the board of directors during the past year. 8th.—That the thanks of the meeting be given to Thomas Phillips, Esq., for his attention to the business of the day.

NORTH AND SOUTH WALES BANK.

Report of the directors to the proprietors, at their Twelfth Annual Meeting, held the 18th August, 1848.

"The directors meet the proprietors under more cheering circumstances than on the last two occasions on which they have met together. The hopes then held out of an early resumption of the business of the bank, have been realised, and the difficulties which surrounded that measure successfully overcome.

"It will be in the recollection of the proprietors, that as a condition to a speedy and effectual resumption, the directors pressed for a large and immediate subscription to the proposed issue of preference shares. The difficulties of the times, however, stood in the way of this, and few subscribers came forward: the bank was consequently thrown exclusively upon its existing advances to provide the funds sufficient to insure the resumption of its operations with safety. These advances, on the 23rd October, amounted to 750,000*l.* But, notwithstanding the extreme difficulties of the times, by the 22nd January they were reduced to 465,000*l.*—a reduction of nearly 300,000*l.*, or two-fifths of the whole, in the space of three months.

"A curtailment of the active business of the bank, to an extent so great as this, could not, of course, be effected without a more than corresponding action upon its profits; because, whilst the income was thus enormously diminished, no great impression could be made upon the outlay—nearly the same machinery being requisite to conduct the reduced business, as sufficed to conduct the more extended operations of the bank. It has also to be considered, with reference to the half-year just concluded, that the bank has been paying 5 per cent. for the greater portion of its deposits—a circumstance which alone would make a serious addition to its ordinary outlay. The circulation of the bank also, formerly a large source of revenue, instead of averaging 55,000*l.*, as in former years, has this half-year averaged only 15,000*l.* Finally, it has to be considered, that although operations were re-commenced at the end of January, some time necessarily elapsed before the business became generally active. Virtually, therefore, the accounts of 30th June last do not indicate the result of operations extending over the whole half-year, but over some months only.

"The directors, therefore, taking all these circumstances into view, apprehended an excess of expenditure over income; but they, at the same time,

felt that any ordinary amount of deficit would be a cheap price to have paid for the re-establishment of the Bank. The profit and loss account for the half-year, however, after deducting interest paid, salaries, interest on preference shares, and all other expenses, instead of a deficit, shows a small balance of profits, amounting to.....£1,069 19 3

This, added to the profits of the half-year ended 31st

Dec. last, which amounted to..... 11,780 4 3

Makes the aggregate profits for the year... £12,850 3 6

The whole of this amount has been transferred to the credit of bad debt account.

The directors will now submit to the proprietors the financial position of the bank, as at 30th June last, which was at follows:

LIABILITIES.				
<i>Immediate</i> —Deposits.....				
	£130,697	9	11	
Notes in circulation				
	19,800	0	0	
Drafts on agents, &c. ..				
	7,636	7	0	
				£158,133 16 11
<i>Deferred</i> —Post bills, undue.....				
	£112,265	19	11	
Bills for collection, sums in				
abeyance, and other items.				
	10,780	19	9	
				£123,046 19 8
<i>Contingent</i> —Bills re-discounted				
				18,485 17 8
				<u>£299,666 14 3</u>
ASSETS.				
Current accounts, advances on post bills, &c.				
	£261,216	19	7	
Overdue bills.				
	42,316	18	10	
Cash on hand and bills current				
	168,509	10	1	
Property				
	21,375	13	0	
				<u>£493,419 1 6</u>
Deduct estimated losses				
	44,279	1	2	
				<u>£449,140 0 4</u>
Surplus represented by proprietors' capital				
				<u>£149,473 6 1</u>

The following is the statement of Capital Account:—

Original paid up capital.....				
	£215,450	0	0	
Less shares held by bank				
	48,790	0	0	
				£166,660 0 0
Paid up on preference shares.....				
				9,167 10 0
				<u>£175,827 10 0</u>
Losses as estimated above				
	£44,279	1	2	
Less reserved fund, 1847 £5,074 13 9				
Profit of the year 12,850 3 6				
				<u>£17,924 17 3</u>
Making the balance of bad debts or deficit in capital				
				£26,354 3 11
And the remaining amount of capital, as above stated....				
				<u>£149,473 6 1</u>

"Comparing this statement with that submitted to the proprietors on 1st December last, it will be seen that the liabilities of the bank to the public have been diminished nearly £200,000, whilst the assets, on the other hand, have been materially improved in character. It will likewise be seen that the immediate and contingent liabilities of the bank are now short of £180,000, whereas, at the date of the suspension, they exceeded £600,000.

"The estimate now rendered of bad debts, materially exceeds that of December last. The difference arises mainly as follows:—A class of debts was then reckoned as "Doubtful" only, but in order to provide for the worst, they have since been transferred entirely to bad debt account.

"In several instances, also, the estimates of certain debts have been written down, not merely to the presumed value of the securities held against them, but to the amount of offers recently made for the securities, and rejected as being too low. Commercial affairs, moreover, had not reached the lowest point of depression in November last, when the former estimate was made.

"The bad debt account is heavy; but the depreciation in the value of all descriptions of property within the last twelve months has been totally unexampled. The losses, it has also to be stated, have not arisen exclusively out of the more recent operations of the bank. On the contrary, a large proportion of the whole has been written off debts, which, at the value of property a year or two ago, were considered worth the price then placed upon them. The present bad debt account, therefore, is chiefly the effects of a revulsion, from which no bank in England has escaped.

"The directors have to state in conclusion, and they do so with much satisfaction, that the confidence of the public in the bank throughout the principality is being rapidly restored. The circulation of the bank, in the course of a few months, has risen from £7,000 to £20,000; fresh accounts are being opened daily, and many of the deposits which were withdrawn in the height of the panic are being brought back again.

"On the whole, therefore, the directors look cheerfully, and with confidence, to the future. The result of their exertions since Christmas last affords them ground to hope that, with the hearty co-operation of the shareholders in promoting the well-being of the establishment, their property will eventually be entirely recovered. The steadily increasing business of the bank, they have every reason to believe, will enable them, in the course of next year, to declare a moderate dividend to the proprietors, and to have a surplus beyond. In the meantime their constant efforts shall be directed to realizing securities and rendering their assets generally more available and productive.

"The directors who go out by rotation are Mr. Christopher Bentham, and Mr. Moss Joseph, both of whom are eligible for re-election."

After the reading of the Report its recommendations were adopted, and £800 voted to the directors for their services during the ensuing year.

NORTHAMPTONSHIRE UNION BANK.

The directors of this bank held their half-yearly meeting on Tuesday (25th July) last, John Nethercoat, Esq., in the chair. The profits for the half year amounted to £11,161 4s. 6d., of which £10,600 was applied to pay the dividend of 8s. per share, £325 10s. 7d. for income-tax, and the balance, £235 13s. 11d., was carried to the next half-year's account. The guarantee fund has been increased £544 18s. 2d. by the dividend, making it £42,402 3s. 3d., and the paid up capital £234,902 3s. 3d.

CUMBERLAND UNION BANK.

The Nineteenth Annual General Meeting of the proprietors of the Cumberland Union Bank, was held at the Green Dragon Inn, Workington, on

Thursday, 25th July, at which the profits were announced to be £7,522 6s. 11d., after deducting income tax and all losses and expenses, and a dividend of £12 per cent. was declared, payable at the usual time (1st Sept.) and the surplus profit of £1,522 6s. 11d., ordered to be carried to the guarantee fund, which, with interest, will then amount to £15,946 11s. 4d., making the proprietary funds of the company

Capital	£50,000	0	0
Guarantee fund	15,946	11	4

Together £65,946 11 4

In place of £20,000 originally paid by the shareholders, at the rate of £10 per share on 2,000 shares.

CALEDONIAN BANK.

At the Annual Meeting of shareholders, the directors reported that the bank continued to progress, and declared a dividend of eight per cent. on the paid up capital of the bank (£125,000), after which there remained £4,266 7s. 6d. at the credit of profit and loss, in addition to the guaranteed fund of £50,519, declared at the meeting of last year.

RAILWAY DIVIDEND PROSPECTS.

WE take the following observations on this important subject from the '*London Weekly Railway Share List*,' which we recommend to our readers for the valuable statistics which it contains:—

"Now that the greater part of the meetings of the dividend-paying companies are over, it may be considered appropriate, and possibly may prove instructive, briefly to review the general results. Reduction of dividend appears to have been the rule, and the maintenance of the same rates of dividend, the exception. In no case has there been any advance.

"The following tabular statement exhibits the rates of dividend paid during the last four half-years, by the companies referred to:—

	Dividends per Cent. per Annum.			
	1846.	1847.		1848.
	2nd Half.	1st Half.	2nd Half.	1st Half.
Eastern Counties	6½	5	4	4
Great Western	8	8	7	7
Glasgow and Ayr	7	7	6	4
London and North Western	10	9	8	7
London and South Western	9½	9	8	6
Brighton	7	4	4	2½
Midland	7	7	7	6
South Eastern	6.34	6.34	6.34	6.34
York and North Midland	10	10	10	8
York, Newcastle, and Berwick	9	9	9	8

"The South Eastern is, therefore, the only company which has maintained the same rate of dividend for the past four half-years; and the Eastern Counties and Great Western the only two which have paid the same dividend for the first half of 1848, as for the second half of 1847. A reduction of 1 or 2 per cent. has been made by all the others for the past half-year; and by some, it

will be seen, that during the two years referred to, there have been reductions amounting to 3, 4, and even 4½ per cent.

"The primary cause of the reduction in dividends is the large increase in the capital now made chargeable to revenue, and the comparatively stationary condition of the traffic receipts. It is now found that the immense outlay of the last few years has not been attended with a corresponding increase in the revenue; that the new partners, whatever they may prove hereafter, have done little hitherto by way of contribution to the general profits; and that, although admitted to a participation in the earnings, they have not done their part in producing them. The result is, of course, a general reduction in the rate of dividend upon all classes of shares, whether of original or subsequent creation.

"Although it is not attempted to convey an impression that the following table is conclusive at all points; yet it serves, in some measure, to give an insight into the proportion which the revenue has of late borne to the increased capital, and to elucidate the causes of depreciation in dividends. It is there shown that, although by each company a large additional capital has been received, entailing, sooner or later, a perpetual onus upon the revenue, there has been no proportionate addition in the revenue. Without entering upon the question of productive and non-productive capital, and without speculation as to whether these new lines may or may not ultimately prove equal to the old ones, the result for the time is, that the following companies have raised, in one twelve-month, no less than £12,138,953, upon which, to pay dividend at the last declared rates, will require the annual sum of £802,280; and that the increase in their gross traffic, as compared with the corresponding half-year of 1847, has amounted to £250,927 only. Supposing the lines to be worked at an expenditure of 50 per cent. on receipts, the additional net profit for the year would, therefore, be £250,927 also; or the same amount as the increased gross receipts for the half-year, while the additional annual demand upon revenue, in order to maintain the present rates of dividend, would be £802,280.

		CONTRAST.			
		Additional Capital received during the past year.	Consequent increased annual charge upon Revenue at the present rate of dividend.	Traffic Receipts of the past half-year com- pared with the corre- sponding half-year, 1847.	
				Increase.	Decrease
Great Western	721,327	50,492	24,640	9,793
Glasgow and Ayr	.. ..	448,990	17,959	....
Eastern Counties	.. ..	1,143,990	45,759	51,988
London and North Western	.. ..	2,942,746	235,419	1,108
London and South Western	.. ..	1,175,680	70,541	16,875
London, Brighton, & South Coast	.. ..	507,850	13,204	21,335
Midland	.. ..	1,399,849	83,990	22,509
South Eastern	.. ..	1,142,437	72,430	6,579
York and North Midland	.. ..	1,281,970	102,557	39,283
York, Newcastle, and Berwick	.. ..	1,374,114	109,929	76,403

Notes of the Month.

THE GUARANTEE SOCIETY, at its last annual meeting, declared a dividend of 5 per cent. on the paid-up capital; and much satisfaction was expressed at the steady progress which the society had made.

The **TRANSFER BOOKS** at the Bank of England will shut for the October dividends as follows:—

	SHUT.	OPEN.
	September, 1848.	October, 1848.
Bank Stock	Tuesday, 12th	Tuesday, 17th
3 per Cent. Reduced	Tuesday, 12th	Thursday, 19th
3½ per Cents.	Wednesday, 13th	Wednesday, 18th
Long Annuities	Tuesday, 12th	Thursday, 19th
Annuities for terms of years ..	Tuesday, 12th	Thursday, 19th

BANKING HOURS.—The majority of the west-end bankers have agreed to close at four o'clock for counter business, on and after the 1st October next, so as to conform to the practice adopted by the city bankers since the month of May last. We are sorry to find that *all* the west-end bankers have not agreed to adopt the plan, which has been found perfectly successful in the city.

BANK OF BENGAL.—By a letter dispatched from Calcutta, 3rd July, 1848, we learn that Mr. Charles Hogg, secretary to the Bank of Bengal, had resigned that office on the 29th June, for the purpose of connecting himself with a highly respectable firm, long and largely interested in the Liverpool, London, and Calcutta trade. Mr. Hogg is known as a highly talented man, and brother to Sir James Weir Hogg, Bart. We hope, in an early number, to give a portrait and memoir of the retired secretary, who held his post during a period of unusual commercial difficulty. An active canvass had commenced on the very day of Mr. Hogg's resignation, but, at the date of the mail leaving, no person had been appointed, though rumour assigned the post to Mr. Robt. Castle Jenkins, late of the house of Thurnburn, Acraman and Co., of this city.

ALLEGED FRAUD BY A BANKER'S CLERK.—On the 2nd August, ult., *Francis Charman*, one of the cashiers in the banking-house of Barclay, Bevan, Tritton and Co., in Lombard-street, was brought up before the Lord Mayor in the custody of Daniel Forrester, the officer, charged with having stolen a Bank of England note for £10, the property of the firm. Mr. Mullens, of the firm of Bush and Mullens, solicitors to the Committee of Bankers for Protection against Forgeries and Frauds, attended for the prosecution. Mr. William Deane, clerk to Messrs. Barclay and Co., stated, that on the 24th July a Bank of England note for £10, and numbered and dated 61321, 4th April, 1848, was in his hands in the house, and he entered it, together with other notes which he received on that day. He made the entry from the note itself, and deposited it with the other notes. Mr. James B. Cavalus, also a clerk in the house, said he recollected having made the balancing of the notes on the day in question, and having found the balance short by £10. He had examined the books himself, and taken the particulars of the whole of the notes received, and he accounted for all with the exception of the £10 note, No. 61321. The prisoner was one of the cashiers, and had access to the bank-notes. Mr. R. Bevan, a partner in the firm of Barclay and Co., stated that he had on that morning spoken to the prisoner on the subject of the missing money, and told him that he was suspected of having taken it. At first the prisoner denied that he was the guilty person, but upon being afterwards told that the £10 note had been traced to his brother, he said it was of no use to deny it any longer, and he confessed that he had taken it. No promise at all had been made to him. The prisoner was committed for trial.

SAVINGS' BANKS.—On the 25th August, ult., the Chancellor of the Exchequer obtained leave to bring in a bill "for regulating the liability of trustees of savings' banks, and for providing for the appointment of auditors of the accounts of savings' banks."

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF AUGUST, 1848.

THE general tendency of the transactions of the month of August has been towards decline and circumspection. There has certainly been no marked depreciation, nor the prevalence of any distinct precaution, but the general observation is nevertheless true.

Consols have fluctuated between $87\frac{1}{2}$ and $85\frac{1}{2}$, and Exchequer Bills have gradually come down from 38 to 28. In the Railway market the dealers have been very much at the mercy of the half-yearly meetings, and we are not sorry to observe that the result of most of these meetings has been such as to impress the holders of railway property very strongly with the conviction that, after all, a railway company is only a shopkeeping concern on a large scale, and that to obtain the pounds, it is more than ever essential to take care of the pence.

The French Loan, to which we alluded in our last review, has been subscribed, very much to the justifiable surprise of most people, entirely out of French capital.

Our own Chancellor of the Exchequer, informed the house, on the 25th August, that he also wants a loan for £2,000,000, and he proposes to take an Act which will authorize either the issue of Exchequer Bills or the creation of stock for the required amount. Unless he uses great expedition, we do not think he will find it expedient to interfere with his own bills in the market by increasing the supply. We should rather suppose that a funding operation would suit the times better than one of the opposite character.

If he sells Consols, he will certainly not sell them at 89—the price he obtained for the Irish Loan. The scrip of that speculation has left behind it many unpleasant reminiscences, and we are disposed to fear that Sir Charles Wood has had the imprudence to postpone his announcement until a conjuncture at which a borrowing minister will have, as well the recollections of the past as the difficulties of the present to contend with. He should have tried his hand in the market five weeks ago, when Consols were at 89 and looking up to 93.

THE STATE OF TRADE.

THE subjoined figures will convey a gratifying impression of the state of the the manufacturing districts, especially if the comparison is carried back into the month of June. The more recent accounts, however, are less favourable, and the sinister influence of the doubtful harvest has already begun to produce an effect upon the Lancashire interests.

	Mills.			Work people.		
	20th June, 1848.	18th July.	22nd Aug.	20th June.	18th July.	22nd Aug.
Working full time .	135 ..	167 ..	181 ..	29,745 ..	34,891 ..	36,823
Working short time	43 ..	27 ..	18 ..	6,274 ..	3,345 ..	2,869
Stopped work	25 ..	17 ..	11 ..	8,403 ..	6,497 ..	5,008
	<u>203</u>	<u>211</u>	<u>210</u>	<u>44,422</u>	<u>44,633</u>	<u>44,700</u>

THE CORN TRADE.

The *Gazette* averages for England and Wales have been :—

Weeks ended, 1848.		Qrs. sold.		Weekly average.		Six Weeks' average.		Duty.		Corresponding Six Weeks Last Year.	
				s.	d.	s.	d.	s.	d.	s.	d.
July	15	..	113,478	..	49 1	..	47 11	..	10 0	..	85 10
"	22	..	107,455	..	48 11	..	48 2	..	9 0	..	83 8
"	29	..	105,400	..	47 11	..	48 4	..	" "	..	83 8
Aug.	5	..	128,466	..	49 5	..	48 9	..	" "	..	78 7
"	12	..	145,792	..	50 11	..	49 2	..	8 0	..	75 3
"	19	..	136,324	..	51 0	..	49 6	..	" "	..	71 11

These figures already begin to exhibit the incidence upon the market of the bad weather. The following comparison, however, of prices at Mark Lane on the 21st July and 25th August (1848), will better assist us in tracing the elevation of price from the lowest point, thus :—

	21st July, 1848.		25th Aug., 1848.	
Wheat, Essex	47s.	..	55s.
" Dantzic	51s.	..	61s.
Indian corn	30s.	..	34s.

Taking all the circumstances into account, the moderation of these enhancements does considerable credit to the patience and circumspection of the corn trade. There can no longer be any doubt as to the fact of a deficiency, more or less, in the kinds of human food procured from the harvest. The question as the extent of the deficiency, is a matter still very much involved in conjecture. Up to the present moment the state of the corn seems to be this,—that (1) in Ireland, the potatoe crop may be assumed, on pretty safe data, to have perished to the extent of two-thirds; (2) that in England the wheat harvest is, in the first place, essentially a chequered yield, that is to say, there is an intermixture of bad fields with good ones, almost in all parts of the country; (3) that, as a general rule, the grain crops in the southern counties have been more injured by the bad weather of the last five or six weeks than the crops in the north; and that, almost without any great exceptions, the farmers on the southern side of Northampton have carried their sheaves in very indifferent condition; (4) that the potatoe disease has already so far invaded the produce on this side of the channel, as to destroy somewhere between a third and a half of the entire produce of that root.

In mitigation of these facts, we must bear in mind, that in Ireland, at least, there has been an enormous extension of the surface of land subjected to potato culture in 1848 over 1847. The increase is said to be as much as fourfold. Suppose, therefore, that out of a fourfold quantity three parts are lost, there will still remain as many potatoes as were available last year. There is then a luxuriant barley and oat crop on the ground this season; and, finally, there is the unusual reserve of old corn in the hands of the farmers, whatever it may amount to.

Upon these data there is scope for much diversity of conclusion. For ourselves, we prefer to say little, not because we have no opinion to express, but because, upon a question as yet purely speculative, it would be scarcely prudent to give utterance to apprehensions which may possibly turn out to be over done.

It is understood that orders to some extent have already been despatched to the United States, where the harvests are most abundant; and also to the corn districts of the continent, where there is not the same luxuriant surplus, but still a reserve available for exportation.

BANK OF ENGLAND.

The Bank's returns have been :—

LIABILITIES.

Date. 1844.	Circulation.	Public Deposits.	Private Deposits.	Total Deposits.	Res.	Total Liabilities.
July 15	20.29 ..	2.62 ..	11.70 ..	14.32 ..	3.49 ..	38.12
" 22	20.16 ..	2.41 ..	11.37 ..	13.78 ..	3.50 ..	37.45
" 29	20.06 ..	2.39 ..	10.83 ..	13.22 ..	3.57 ..	36.71
Aug. 5	19.80 ..	2.88 ..	9.97 ..	12.85 ..	3.60 ..	36.26
" 12	19.25 ..	3.83 ..	9.44 ..	13.27 ..	3.60 ..	36.13
" 19	19.41 ..	4.54 ..	8.57 ..	13.11 ..	3.61 ..	36.14

ASSETS.

Date. 1844.	Public Securities.	Private Securities.	Bullion in Banking De- partment.	Bullion in Issue De- partment.	Total Bullion.	Total Assets.
July 15	13.21 ..	10.64 ..	9.12 ..	5.14 ..	14.26 ..	38.12
" 22	12.81 ..	10.53 ..	9.07 ..	5.04 ..	14.11 ..	37.45
" 29	12.52 ..	10.48 ..	8.76 ..	4.95 ..	13.71 ..	36.71
Aug. 5	12.46 ..	10.40 ..	8.70 ..	4.69 ..	13.39 ..	36.26
" 12	12.46 ..	10.30 ..	9.20 ..	4.16 ..	13.36 ..	36.13
" 19	12.46 ..	10.31 ..	9.06 ..	4.31 ..	13.37 ..	36.14

So long as the Bank accounts present results like these it is scarcely to be expected that the directors will raise the rate of discount. When the rate was reduced from 4 to 3½, on the 15th June last, the private securities were £10,600,000. On the 19th August these were £10,310,000. It is plain, therefore, that the reduction of the 15th June did not overtake the reduction which had taken place in the open market, for if the Bank rate had been cheaper than the term of discount in Lombard Street, the consequences would have been immediately apparent in the increased quantity of the private securities. For the last week or two the tendency of these securities has been towards diminution; and so long as this is the case, it would be a whimsical policy on the part of the directors to widen the gulph between their own establishment and the kind of business they desire to cultivate.

We are of course reasoning upon the basis of 1844. Apart from that basis, we should like to see a bye-law against the Bank ever discounting at less than 4 per cent. The drain upon the bullion continues, but only to a limited extent: we believe that the demand is principally for the interior of Germany, and that the export is mainly in silver. The reserve of the banking department is at a very satisfactory figure. In the general market the rate of interest on first class 3-months paper may be called at from 2½ to 3½ per cent., and there cannot be said to be any great shyness in passing respectable applications.

The foreign exchanges have somewhat given way since we last wrote, thus,—

	21st July.	25th Aug.
Hamburgh	13.12	13.9½
Paris	25.45	25.35

And upon both these places the arbitrated prices of bullion are so far against England, as to cover the expense of sending the precious metals. Upon New York the last advices gave a result of 0.33 per cent. against this country; but this is upon the intrinsic par of 109. The real and influential par is not more than 106½, so that a decline of a further 3 per cent. must take place at New York before it would be profitable to remit specie from this side of the water. It is scarcely to be expected, however, that any further shipments of bullion will be made by the Americans to this country at present.

[illegible]

FOREIGN STOCKS (Latest Prices).

	£40 th.,	£40	Opd.	£19
Australasia	-	50	0	41
British North American	-	50	0	41
Commercial of London	-	100	0	108
London and Westminster	-	100	0	51
Ditto, New	-	7	0	-
London Joint Stock	-	50	10	0
London Provincial	-	100	0	142
Ditto, New	-	50	0	30
National of Ireland	-	50	0	100
National of England	-	100	0	178
National Provincial of England	-	100	0	178
Union of Australia	-	50	0	10
Union of London	-	50	0	10
Union of London	-	50	0	10
Union of London	-	50	0	10

Austrian Bonds, 5 per Cent.
 Belgian Bonds, 4½ per Cent.
 Brazilian Bonds, 5 per Cent.
 Buenos Ayres Bonds, 6 per Cent.
 Cuba Bonds, 6 per Cent.
 Chilean Bonds, 6 per Cent.
 Colombian Bonds, Deferred, 6 per Cent.
 Danish 3 per Cent.
 Greek Bonds 1884-85, 5 per Cent
 (Gratula 5 per Cent. 1884-85)
 Italian Bonds, 5 per Cent.
 Portuguese Bonds, 4 per Cent.

Portuguese Bonds, 4 per Cent.	304
Russian Bonds, 1852, 3 per Cent. in <i>£</i> Ster.	101
Russian Bonds 3 per C. div. from Nov. 1860	124
Ditto, Passive Bonds	74
Ditto, Deferred	74
Ditto, 3 per Cent. Spanish Bonds	324
Ditto, 3 per Cent. Spanish Bonds	143
Dutch 4 per Cent. on the above payable in London.	418
Dutch 4 per Cent.	74
Ditto 4 per Cent. Loan	74
Branch 5 per Cent., at Paris Aug. 1860	74
Ditto 5 per Cent., ditto	457

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. July 22nd.	1848. July 29th.	1848. Aug. 5th.	1848. Aug. 12th.	1848. Aug. 19th.
Notes issued.....	£ 27,451,560	£ 27,063,340	£ 26,690,315	£ 26,693,925	£ 26,763,645
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,984,900	2,984,900	2,984,900	2,984,900	2,984,900
Gold coin and bullion.....	12,123,761	11,918,073	11,670,323	11,736,664	11,873,485
Silver bullion.....	1,327,799	1,145,267	1,020,992	937,321	890,160
	27,451,560	27,063,340	26,690,315	26,693,925	26,763,645

BANKING DEPARTMENT.

	1848. July 22nd.	1848. July 29th.	1848. Aug. 5th.	1848. Aug. 12th.	1848. Aug. 19th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,406,611	3,506,556	3,599,152	3,605,442	3,608,790
Public deposits (including Ex- chequer, Savings' Banks, Coun- missioners of National Debt, and Dividend Accounts).....	2,410,857	2,303,143	2,888,368	3,832,141	4,545,098
Other deposits.....	11,376,888	10,835,797	9,968,628	9,440,513	8,575,809
Seven day and other bills.....	1,127,125	1,117,335	1,109,914	1,088,024	1,101,309
	32,966,481	32,315,831	32,119,062	32,519,120	32,383,906
Government securities (including Dead Weight Annuity).....	12,807,546	12,522,735	12,462,735	12,462,735	12,462,735
Other securities.....	11,090,948	11,027,342	10,951,789	10,857,119	10,862,959
Notes.....	8,410,840	8,118,990	7,998,300	8,528,300	8,450,310
Gold and silver coin.....	657,147	646,764	706,339	671,066	667,902
	32,966,481	32,315,831	32,119,062	32,519,120	32,383,906

The Exchanges.

	July 28th.	August 4th.	August 11th.	August 18th.	August 25th.
Amsterdam, 3 months.....	12 2½	12 2½	12 2½	12 2	12 2
ditto at sight.....	—	—	—	12	—
Rotterdam, short.....	12 2½	12 3	12 2½	12 2½	12 2½
Antwerp, 3 months.....	—	25 80	25 80	25 80	25 80
Hamburg, ditto.....	13 10½	13 10½	13 10	13 10	13 9½
Paris, short.....	25 45	25 45	25 35	25 35	25 40
Paris, 3 months.....	25 75	25 75	—	—	—
Marseilles, ditto.....	25 80	25 85	25 80	25 80	—
Brussels, ditto.....	—	—	—	—	—
Frankfort, ditto.....	122	121½	121½	121½	—
Vienna, ditto.....	11 50	—	12 0	11 20	—
Lisbon, ditto.....	11 50	—	12	11 20	—
Madrid, ditto.....	43½	44	43½	44½	45½
Cadiz, ditto.....	48	48	48½	48½	48½
Leghorn, ditto.....	31 45	31 45	31 50	31 50	31 45
Genoa, ditto.....	—	25 90	26 0	—	—
Naples, ditto.....	36½	36½	37½	37½	38½
Palermo, ditto.....	—	—	—	—	—
Messina, ditto.....	—	—	—	—	—
Lisbon, 60 days' date.....	52	51½	51½	51½	51½
Oporto, ditto.....	52½	52	51½	51½	52
Rio Janeiro, ditto.....	—	—	—	—	—

Bankers' Magazine Appendix, September, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		June 24.	July 1.	July 2.	July 12.
	£	£	£	£	£
1 Andover Bank	17,751	9,823	10,514	10,525	11,052
2 Ashford Bank	11,849	8,531	7,960	8,735	8,222
3 Aylsham Bank	5,854	5,469	5,546	5,596	5,375
4 Aylesbury Old Bank	48,461	28,933	28,170	28,875	29,862
5 Baldock and Biggleswade Bank ..	37,223	25,319	25,292	25,913	25,965
6 Barnstaple Bank	17,182	9,540	9,310	9,872	9,545
7 Basingstoke and Odiham Bank.....	24,730	16,546	16,178	16,385	16,545
8 Bedford Bank.....	34,218	29,339	30,114	30,709	30,259
9 Bedford and Bedfordshire Bank ..	8,515	5,873	5,716	6,035	6,212
10 Bewdley Bank	18,597	12,264	12,904	12,935	13,022
11 Bicester and Oxfordshire Bank....	27,090	13,450	13,253	13,015	13,252
12 Birmingham Bank—Attwoods & Co.	23,695	22,518	23,330	23,909	24,082
13 Birmingham and Warwickshire Bk.	18,132	11,196	11,005	11,079	12,282
14 Blandford Bank	9,723	6,122	5,085	6,177	6,752
15 Boston Bank—Garfit and Co.	75,069	69,022	67,405	67,197	61,922
16 Boston Bank—Gee and Co.	15,161	13,303	12,320	11,665	10,422
17 Bridgewater Bank	10,028	6,290	6,357	5,835	5,712
18 Bristol Bank	48,277	28,765	29,912	28,846	28,422
19 Broseley and Bridgenorth Bank ..	26,717	18,339	19,224	18,753	18,772
20 Buckingham Bank	29,657	18,170	17,742	18,540	19,712
21 Bury and Suffolk Bank	82,362	64,442	63,426	64,555	64,272
22 Banbury Bank	43,457	24,900	24,586	23,986	23,022
23 Banbury Old Bank	55,153	37,300	37,422	35,622	28,322
24 Bath City Bank	4,572	2,366	2,485	2,720	2,722
25 Bedfordshire Leighton Buzzard Bk.	36,829	27,830	28,438	29,295	30,122
26 Birmingham Bank—Taylor & Lloyds	38,816	29,990	30,163	29,252	30,992
27 Bradford Old Bank	12,676	12,119	11,572	12,650	12,462
28 Brecon Old Bank	68,271	54,370	54,711	53,600	50,422
29 Brighton Union Bank	33,794	25,109	25,917	26,968	27,212
30 Burlington and Driffield Bank	12,745	10,865	10,932	11,887	11,522
31 Bury St. Edmund's Bank.....	3,201	2,680	2,431	2,825	2,822
32 Bromsgrove Bank	16,799	13,156	14,029	13,123	13,222
33 Cambridge Bank—Mortlock & Son's	25,744	17,617	17,299	18,041	19,252
34 Cambridge and Cambridgeshire Bk.	49,916	44,574	46,400	45,870	45,222
35 Canterbury Bank	33,671	25,263	26,405	27,452	26,522
36 Carmarthen Bank	23,597	14,987	14,504	14,218	14,322
37 Chertsey Bank	3,436	3,179	3,673	3,713	3,722
38 Colchester Bank.....	25,082	15,881	16,544	16,437	15,022
39 Colchester and Essex Bank	48,704	30,815	31,325	32,523	31,522
40 Cornish Bank	49,869	33,165	32,872	33,066	32,522
41 Coventry Bank	12,045	7,368	7,726	8,064	7,992
42 City Bank, Exeter.....	21,527	17,528	17,385	17,584	17,312
43 Craven Bank	77,154	71,442	68,365	66,209	65,122
44 Christchurch Bank.....	2,840	1,833	1,760	1,665	1,712
45 Cardiff Bank	7,001	5,255	5,472	5,757	5,742
46 Chepstow Old Bank	9,387	5,949	5,936	5,627	5,722
47 Derby Bank—Messrs. Evans	13,332	12,469	12,823	12,463	12,122
48 Derby Bank—Smith and Co.	41,304	31,612	28,526	29,120	28,722
49 Derby Old Bank	27,237	23,835	23,200	23,963	24,722
50 Devizes and Wiltshire Bank	20,674	10,600	10,688	10,736	10,942
51 Diss Bank	10,657	10,467	10,379	10,319	10,322
52 Doncaster Bank and Retford Bank	77,400	54,625	54,896	56,319	54,622
53 Darlington Bank	86,218	71,665	70,675	68,992	65,422

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		June 24.	July 1.	July 8.	July 15.
	£	£	£	£	£
54 Devonport Bank	10,664	9,426	9,661	10,183	10,086
55 Dorchester Old Bank	48,807	38,485	38,079	38,516	38,546
56 East Cornwall Bank	112,280	84,150	85,175	85,446	85,155
57 East Riding Bank	53,392	46,546	46,864	48,187	47,108
58 Essex Bk. & Bishops Stortford Bk.	69,637	38,914	40,256	39,879	39,778
59 Exeter Bank	37,894	24,265	25,034	26,503	26,530
60 Fakenham Bank	24,293	18,143	17,921	18,860	19,887
61 Faringdon Bank & Bk. of Wantage	8,977	4,347	4,410	5,690	5,323
62 Farnham Bank	14,202	10,849	11,233	10,961	10,822
63 Faversham Bank	6,681	4,241	4,562	4,880	4,870
64 Godalming Bank	6,322	5,407	5,186	5,283	5,337
65 Grantham Bank—Kewney & King	19,401	4,132	3,934	3,852	3,438
66 Guildford Bank	14,524	11,103	11,547	11,713	12,007
67 Grantham Bank—Hardy & Co...	30,372	21,604	21,206	20,146	20,334
68 Hastings Old Bank	38,038	19,470	20,211	19,716	19,556
69 Hereford City and County Bank..	22,364	14,131	14,840	14,750	14,105
70 Hertford and Ware Bank	23,635	15,883	14,362	14,442	14,305
71 Hull & Kingston-upon-Hull Bank	19,979	17,675	18,466	18,938	18,079
72 Huntingdon Town & County Bank	56,591	38,640	38,625	39,271	37,644
73 Harwich Bank	5,778	4,503	4,865	4,769	4,928
74 Hemel Hempstead Bank	23,842	19,584	20,015	21,232	22,005
75 Hertfordshire, Hitchin Bank ...	38,764	32,877	34,176	33,244	33,145
76 Hereford, Ross, & Archenfield Bk.	27,625	18,891	19,213	20,040	20,194
77 Ipswich Bank	21,901	17,840	18,514	18,570	18,123
78 Ipswich & Needham Market Bank	80,699	64,345	64,920	66,572	66,053
79 Kentish Bank	19,895	8,991	8,739	9,426	9,675
80 Kingston and Radnorshire Bank ..	26,050	19,373	18,689	18,244	18,388
81 Knighton Bank	9,090	6,966	7,189	7,183	6,880
82 Knarborough Old Bank	21,825	19,528	19,013	18,791	17,849
83 Kendal Bank	44,663	39,002	37,304	35,706	34,474
84 Kettering Bank	9,192	6,835	6,937	6,574	6,360
85 Lane End Staffordshire Bank ...	5,624	5,155	5,168	5,081	5,093
86 Leeds Bank	53,357	49,159	48,749	51,417	47,991
87 Leeds Union Bank	37,459	34,395	32,919	32,729	35,301
88 Leicester Bank	32,322	23,204	22,845	23,297	24,144
89 Lewes Old Bank	44,836	27,448	28,641	29,523	29,910
90 Lichfield Bank	22,786	20,478	19,903	20,265	20,121
91 Lincoln Bank	100,342	85,694	84,021	83,588	80,585
92 Llandovery Bank & Llandilo Bank	32,945	24,512	25,141	24,025	24,050
93 Loughborough Bank	7,359	6,420	6,585	5,924	5,744
94 Lymington Bank	5,038	2,895	2,717	3,411	3,695
95 Lynn Regis and Lincolnshire Bank	42,817	36,032	35,772	38,665	38,423
96 Lynn Regis and Norfolk Bank ..	13,917	13,672	13,767	13,230	13,403
97 Macclesfield Bank	15,760	10,313	9,563	9,387	9,645
98 Manningtree Bank	7,692	5,092	5,369	5,175	5,177
99 Marlborough Bank	19,073	12,320	11,465	9,714	10,044
100 Marlboro & North Wiltsh. New Bk.	12,490	6,577	7,178	7,976	7,661
101 Merionethshire Bank	10,906	5,351	5,100	4,955	4,695
102 Miners' Bank	18,688	12,792	13,082	13,032	13,050
103 Monmouthsh. Agricul. & Com. Bk.	29,335	22,223	23,025	24,975	23,485
104 Monmouth Old Bank	16,385	14,732	14,425	13,948	13,241
105 Monmouthshire Newport Old Bank	8,600	7,727	8,240	8,028	7,848
106 Newark Bank	28,788	20,263	19,594	19,073	17,709
107 Newark and Sleaford Bank	51,615	45,217	42,780	43,900	41,949
108 Newbury Bank	36,787	20,197	20,433	22,095	21,569
109 Newmarket Bank	23,098	16,660	16,705	17,334	16,882
110 Norfolk and Suffolk Bank	4,551	2,103	2,014	2,032	2,023
111 Norwich Crown Bank	45,120	35,517	36,937	36,189	36,730

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		June 21.	July 1.	July 8.	July 15.
	£	£	£	£	£
112 Norwich and Norfolk Bank.....	75,372	64,251	65,255	66,705	66,342
113 Nottingham & Nottinghamsh. Bk.	10,866	8,687	8,581	9,974	4,690
114 Nuneston Bank	5,898	4,805	4,879	4,977	9,106
115 Naval Bank, Plymouth	27,321	19,229	19,192	21,025	22,412
116 New Sarum Bank	15,659	9,210	9,431	9,898	10,616
117 Nottingham Bank	31,047	25,379	23,930	25,217	24,454
118 Oswestry Bank.....	18,471	10,008	9,883	10,803	10,843
119 Oxford Bank	14,277	9,252	9,666	10,292	11,050
120 Oxford Old Bank	34,391	32,218	33,880	35,467	34,980
121 Old Bank Tonbridge	13,183	7,436	7,176	7,286	7,492
122 Oxfordshire Witney Bank	11,852	7,948	6,785	6,708	6,460
123 Pease's Old Bank, Hull	48,807	44,008	44,803	45,006	42,852
124 Penzance Bank.....	11,405	10,559	10,994	10,324	9,894
125 Peterborough Bank—Yorke & Co.	12,545	7,686	7,134	6,998	7,924
126 Peterborough Bk.—Simpson & Co.	12,832	8,938	8,904	8,581	8,960
127 Pembrokehire Bank	12,910	7,261	7,586	7,862	7,779
128 Reading Bank—Simmonds & Co.	37,519	25,050	25,730	26,098	27,220
129 Reading Bank—Stephens & Blandy	43,271	24,629	24,253	24,798	24,525
130 Richmond Bank, York	6,889	5,721	4,910	4,914	4,425
131 Ringwood and Poole Bank	11,856	6,903	6,870	7,300	7,687
132 Rochdale Bank.....	5,590	4,460	4,530	4,748	5,095
133 Rochester, Chatham, & Strood Bk.	10,480	8,437	8,746	9,841	9,683
134 Royston Bank	16,393	12,100	12,011	10,881	11,643
135 Rugby Bank.....	17,250	10,895	11,271	11,357	11,027
136 Rye Bank.....	29,864	11,590	11,663	11,521	12,223
137 Reigate and Dorking Bank	13,700	11,892	11,665	12,885	12,887
138 Ross Old Bank, Herefordshire ..	7,420	3,939	4,129	4,534	4,246
139 Saffron Walden & North Essex Bk.	47,646	29,135	28,377	28,012	26,404
140 Salop Bank	22,338	11,906	11,370	11,739	12,260
141 Scarborough Old Bank	24,813	21,250	21,790	21,874	22,155
142 Shrewsbury Old Bank.....	43,191	24,483	24,500	24,705	25,770
143 Sittingbourne and Milton Bank ..	4,789	3,312	3,072	3,125	2,991
144 Southampton Town & County Bk.	18,589	12,025	13,005	15,164	13,915
145 Southwell Bank	14,744	12,542	10,798	11,184	11,133
146 St. Albans Bank	3,743	1,033	989	947	1,085
147 Southampton and Hampshire Bank	6,770	3,105	3,012	3,338	3,309
148 Stone Bank	9,154	3,465	3,775	4,021	4,236
149 Stourbridge Bank	17,295	13,589	13,249	14,496	13,865
150 Stafford Old Bank	14,166	12,884	13,291	13,523	12,736
151 Stamford and Rutland Bank	31,858	23,592	23,890	22,834	24,394
152 Stourbridge Old Bank.....	17,560	17,196	17,263	17,169	17,578
153 Shrewsbury and Welsh Pool Bank	25,336	20,065	20,205	18,690	20,010
154 Taunton Bank	29,799	18,056	18,213	18,794	19,369
155 Tavistock Bank	13,421	7,877	7,705	8,178	8,073
156 Thornbury Bank	10,026	7,754	7,345	7,576	6,767
157 Tiverton and Devonshire Bank ..	13,470	6,715	6,941	7,172	6,852
158 Thrapstone and Kettering Bank ..	11,559	10,905	10,465	10,508	10,345
159 Tring Bank and Chesham Bank ..	13,531	10,899	11,118	11,266	10,930
160 Towcester Old Bank	10,801	7,684	7,346	7,780	7,375
161 Union Bank, Cornwall	17,003	6,323	7,491	7,902	7,016
162 Uxbridge Old Bank.....	25,136	19,001	17,845	17,291	17,155
163 Wallingford Bank	17,064	7,182	6,990	7,290	7,200
164 Warwick and Warwickshire Bank	30,504	19,802	20,690	20,538	20,594
165 Wellington Bank, Somerset	6,528	2,151	2,411	2,656	2,906
166 West Riding Bank	46,158	43,132	42,564	43,296	45,095
167 Whitby Old Bank	14,258	12,403	12,120	12,740	12,385
168 Winchester, Alresford & Alton Bk.	25,892	18,101	18,624	18,807	19,314
169 Winchester and Hampshire Bank	6,737	3,360	3,262	3,695	4,401

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		June 24.	July 1.	July 8.	July 15.
	£	£	£	£	£
170 Weymouth Old Bank	16,461	11,213	11,328	11,983	12,132
171 Wirksworth and Derbyshire Bank	37,602	30,621	28,609	28,300	28,677
172 Wisbech and Lincolnshire Bank..	59,713	47,258	47,075	48,445	48,741
173 Wiveliscombe Bank.....	7,602	5,193	5,062	5,272	5,236
174 Wolverhampton Bank—Goodricke & Co.	14,180	11,418	11,324	11,106	12,162
175 Worcester Bank	15,463	8,281	8,275	8,912	8 888
176 Worcester Old Bank	87,448	64,802	65,601	67,998	68,873
177 Worcestershire Bank	14,309	10,598	10,450	10,646	11,232
178 Walsall Old Bank	19,937	18,380	17,201	13,705	11,906
179 Warminster and Wiltshire Bank..	24,896	11,207	11,962	12,594	12,060
180 Wrexham Bank	3,289	488	192	181	177
181 Wolverhampton Bank—R. & W. Fryer	11,867	9,949	10,453	10,241	11,488
182 Yarmouth and Suffolk Bank	53,060	38,870	40,725	42,027	40,404
183 Yarmouth, Norfolk, & Suffolk Bk.	13,229	9,733	9,763	9,866	10,021
184 Yeovil Old Bank	10,033	6,506	6,454	6,460	6,400
185 York Bank	46,387	37,601	38,030	39,280	36,981

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	7,995	7,345	7,416	7,294
2 Barnsley Banking Company	9,563	8,149	8,835	8,631	8,095
3 Bradford Banking Company.....	49,292	42,909	41,754	43,109	43,100
4 Bilston District Banking Company	9,418	8,861	8,662	8,038	9,594
5 Bank of Whitehaven.....	32,681	28,999	27,776	27,263	26,911
6 Bradford Commercial Banking Co.	20,084	16,142	16,893	18,514	19,094
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	48,450	47,564	44,059	41,500
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	8,480	8,005	8,157	7,710
9 Cumberland Union Banking Co. .	35,395	32,565	30,402	29,551	28,653
10 Cheltenham & Glo'stershire Bk. Co.	12,786	9,037	9,069	9,023	9,181
11 Coventry & Warwickshire Bk. Co.	28,734	20,437	19,597	19,434	19,316
12 Coventry Union Banking Company	16,251	11,070	10,972	11,329	11,949
13 County of Gloucester Banking Co.	144,352	89,744	87,445	89,140	91,005
14 Carlisle & Cumberland Banking Co.	25,610	26,354	25,049	24,312	23,820
15 Carlisle City and District Bank...	19,972	19,863	17,613	17,108	16,908
16 Dudley & West Bromwich Bkg. Co.	37,696	30,987	32,396	34,827	34,555
17 Derby and Derbyshire Banking Co.	20,093	19,176	17,269	17,869	17,952
18 Darlington Dist. Joint Stock Bk. Co.	26,134	21,600	21,363	21,179	19,610
19 East of England Bank	25,025	23,818	23,635	24,217	25,335
20 Gloucestershire Banking Company	155,920	122,581	122,615	123,445	123,371
21 Halifax Joint Stock Bank.....	18,534	13,098	12,790	13,110	13,523
22 Huddersfield Banking Company ..	37,354	33,668	31,824	31,565	35,281
23 Hull Banking Company	29,333	25,665	26,285	24,810	23,964
24 Halifax Commercial Banking Co...	13,733	9,964	9,614	9,594	9,853
25 Halifax & Huddersfield Union Bank	44,137	31,989	28,728	30,528	35,778
26 Helston Banking Company	1,503	1,271	1,482	1,514	1,509
27 Herefordshire Banking Company..	25,047	16,032	16,320	16,970	16,690
28 Knaresborough and Claro Bkg. Co.	28,059	23,947	24,169	22,841	19,696
29 Kingsbridge Joint Stock Bank....	3,952	3,090	3,035	3,138	3,330
30 Lancaster Banking Company	64,311	57,718	55,654	53,826	52,477
31 Leeds Banking Company	23,076	23,237	21,664	23,000	22,611
32 Leicestershire Banking Company..	86,060	64,976	64,268	65,603	63,139
33 Lincoln and Lindsay Banking Co.	51,620	50,347	49,989	49,265	48,128
34 Leamington Priors & Warwicksh. Bk.	13,875	8,940	8,762	9,559	9,694
35 Ludlow and Tenbury Bank	10,215	7,468	7,260	6,955	7,084

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		June 24.	July 1.	July 8.	July 15.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	20,377	22,099	22,318	21,146
37 Nottingham and Notts. Banking Co.	29,477	22,975	21,369	21,722	21,840
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,180	4,364	4,198	4,030	3,915
39 National Provincial Bk. of England	442,371	331,891	334,289	336,660	338,090
40 North Wilts Banking Company ..	63,939	41,638	40,831	40,157	40,783
41 Northamptonshire Union Bank ..	84,356	60,187	60,650	60,830	58,217
42 Northamptonshire Banking Co. ..	26,401	19,168	19,646	21,640	20,081
43 North and South Wales Bank	63,951	19,805	20,206	19,420	19,395
44 Pare's Leicestershire Banking Co..	59,300	40,930	40,079	41,763	40,781
45 Saddleworth Banking Company ..	8,122	1,783	1,733	1,981	2,255
46 Sheffield Banking Company	35,843	36,888	36,200	38,015	32,265
47 Stamford, Spalding & Boston Bk. Co.	55,721	45,873	43,765	43,622	44,242
48 Stuckey's Banking Company	356,976	235,276	236,080	237,829	241,487
49 Shropshire Banking Company	47,951	37,165	37,463	37,148	39,425
50 Stourbridge and Kidderminster Bk.	56,830	42,800	44,032	43,527	46,899
51 Sheffield and Hallamshire Bank ..	23,524	17,286	17,332	17,176	18,400
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	46,692	46,709	47,797	48,188
53 Swaledale and Wensleydale Bank..	54,372	47,455	44,329	43,407	41,415
54 Storey's and Thomas's Bank	9,714	9,200	9,325	9,264	9,484
55 Sheffield and Retford Bank	18,744	786	790	785	790
56 Wolverhampton & Staffordsh. Bank	85,878	34,383	33,277	30,471	34,243
57 Wakefield and Barnsley Union Bank	14,604	10,655	11,070	11,512	11,707
58 Whitehaven Joint Stock Bank	31,916	24,880	24,727	25,114	23,541
59 Warwick and Leamington Bkg. Co.	37,124	26,713	25,301	26,982	27,124
60 West of England and South Wales District Bank	83,585	64,440	64,537	64,748	62,123
61 Wilts and Dorset Banking Company	76,162	54,634	54,129	54,628	56,315
62 West Riding Union Banking Co. ..	34,029	26,144	25,883	26,623	26,060
63 Whitchurch and Ellesmere Bkg. Co.	7,475	2,715	2,894	2,603	2,406
64 Worcester City & County Bkg. Co.	6,848	5,043	4,383	4,538	4,325
65 York Union Banking Company ..	71,240	66,473	64,576	62,236	61,045
66 York City and County Banking Co.	94,695	83,807	82,823	81,160	77,501
67 Yorkshire Banking Company	122,532	99,880	94,345	92,402	89,700

Summary of the above Returns.

	Fixed Issues. £	June 24. £	July 1. £	July 8. £	July 15. £
187 Private Banks	4,880,389	3,561,878	3,561,663	3,591,078	3,563,516
67 Joint Stock Banks ..	3,409,987	2,550,943	2,515,173	2,521,007	2,512,898
254 Totals.....	8,290,376	6,112,821	6,076,836	6,112,085	6,076,414

Average Weekly Circulation of these Banks for the month ending July 15th:—

Private Banks..... £3,569,534
Joint Stock Banks..... 2,525,005

Average Weekly Circulation of Private and Joint Stock Banks

ending as above £6,094,539

On a comparison of the above with the Returns for the Month ending 17th June last, it shows—

A decrease in the Notes of Private Banks, of £58,812
A decrease in the Notes of Joint Stock Banks, of 48,625

Total decrease on the Month £107,437

CIRCULATION RETURNS.

And, as compared with the Month ending the 17th July, 1847, it shows—

A decrease in the Notes of Private Banks, of £769,554
 A decrease in the Notes of Joint Stock Banks, of 509,016

Total decrease, as compared with the same period of last year £1,278,570

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue £1,310,855
 The Joint Stock Banks are below their fixed issue 884,982

Total BELOW the fixed issue..... £2,195,837

[NOTICE.—It has been suggested to us, that instead of giving the figures of Weekly Returns of every Bank, as in the preceding pages, in each number, we should publish the Summary only, by which means a greater space would be obtained in the Magazine for other matter. Perhaps an occasional publication of the Gazette Returns would be sufficient; and we should be glad to hear from our readers who are interested in the subject, whether this plan would be considered satisfactory.—Ed. B.M.]

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 15th day of July, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorized Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	95,367	216,289	311,656	161,930
Royal Bank of Scotland ..	183,000	55,479	120,513	175,991	82,153
British Linen Company....	438,024	132,166	275,914	408,080	165,034
Commercial Bk. of Scotland	374,880	125,586	277,192	402,779	128,240
National Bank of Scotland	297,024	94,347	198,940	293,288	67,063
Union Bank of Scotland ..	327,223	95,309	197,088	292,397	82,243
Edinburgh & Glasgow Bk.	138,657	46,892	72,672	119,564	36,498
Banking Com. in Aberdeen	88,467	34,860	75,032	109,892	38,653
Aberdeen Town and Co. Bk.	70,133	26,911	57,715	84,626	18,975
North of Scotland Bk. Co.	154,319	47,415	88,450	135,865	16,080
Dundee Banking Company	33,451	6,939	20,229	27,167	5,422
Eastern Bank of Scotland..	33,636	9,555	20,048	29,603	5,757
Western Bank of Scotland	337,938	103,312	266,067	369,379	103,844
Clydesdale Banking Co. ..	104,028	22,463	76,096	98,560	28,917
City of Glasgow Bank	72,921	42,525	61,872	104,397	55,627
Caledonian Banking Co. ..	53,434	17,317	37,277	54,595	16,310
Perth Banking Company ..	38,656	14,655	31,884	46,539	10,309
Central Bank of Scotland..	42,933	11,865	30,402	42,267	9,948
TOTALS (Scotch Banks) ..	3,087,209	982,963	2,123,680	3,106,645	1,033,003

IRISH BANKS.

Bank of Ireland	3,738,428	1,816,175	949,950	2,766,125	802,045
Provincial Bank.....	927,667	285,337	364,686	650,023	333,162
Belfast Bank	281,611	33,765	147,820	181,585	102,318
Northern Bank	243,440	26,568	124,903	151,472	73,198
Ulster Bank	311,079	19,221	144,929	164,150	59,305
National Bank	761,757	198,737	315,534	514,271	178,282
Carrick-on-Suir Nat. Bank	24,084	3,777	6,658	10,436	3,683
Clonmel National Bank ..	66,428	17,992	22,870	40,862	12,404
TOTALS (Irish Banks)	6,354,494	2,401,572	2,077,350	4,478,924	1,564,397

CIRCULATION RETURNS.

SUMMARY OF IRISH AND SCOTCH RETURNS TO JULY 15th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 15th July last, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £4,478,934
Average Circulation of the Scotch Banks 3,166,645

Total Average Circulation of these Banks
for the past month £7,585,509

On comparing these amounts with the Returns for the month ending 17th June last, they show—

Decrease in the Circulation of Irish Banks £182,422
Decrease in the Circulation of Scotch Banks 339,912

Total decrease last month £513,364

And as compared with the month ending 17th July, 1847, they show—

Decrease in the Circulation of Irish Banks £778,454
Decrease in the Circulation of Scotch Banks 399,276

Total decrease on the year £1,167,730

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue .. £6,354,094
18 Banks in Scotland, allowed to issue 3,067,309

26 Banks in all, allowed to issue £9,421,403

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £1,873,379
Scotch Banks are above their fixed issue 19,436

Total below the fixed issue £1,856,134

The amount of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks £1,564,390
Gold and Silver held by the Scotch Banks 1,033,003

Total of Gold and Silver Coin £2,597,401

Being an increase of £41,977 on the part of the Irish Banks, and a decrease of £5,557 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO JULY 15th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 15th July, 1848.

Circulation of Notes for the Month ending July 15th, as compared with the previous month :

	Jun. 17. 1848	July 15. 1848.	Increase.	Decrease.
Bank of England.....	£17,648,954	£18,153,966	505,032	—
Private Banks	3,629,346	3,569,334	—	60,012
Joint Stock Banks	2,573,690	2,525,065	—	48,625
Total in England.....	23,850,990	24,248,325	397,595	—
Scotland.....	3,437,587	3,166,645	—	339,942
Ireland	4,661,346	4,478,934	—	182,422
United Kingdom.....	31,949,863	£31,834,894	—	115,769

The comparison of the month ending July 17, 1847, with the month ending July 15, 1848, shows a decrease in the Bank of England circulation of £494,229, a decrease in Private Banks of £769,554, and a decrease in Joint Stock Banks of £509,016; being a total decrease in England of £1,772,799: while in Scotland there is a decrease of £389,276; and in Ireland a decrease of £778,454. Thus showing that the month ending July 15th, as compared with the same period last year, presents a decrease of £1,772,799 in England, and a decrease of £2,940,529 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending July 15th, gives an aggregate amount in both departments of £14,336,809. On a comparison of this with the Return for the month ending June 17th, there appears to be an increase of £556,844; and as compared with the month ending July 17th, 1847, being the corresponding period last year, there is an increase of £4,104,758.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 15th July, was £2,597,401, being an increase of £36,420, as compared with the preceding month, and a decrease of £179,179, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE

AND

Journal of the Money Market.

OCTOBER, 1848.

STATISTICS OF THE RAILWAY EXPENDITURE—ITS EFFECTS ON THE MONETARY AND COMMERCIAL AFFAIRS OF THE KINGDOM.

(FIRST ARTICLE.)

DURING the prevalence of the railway mania, three years ago, various attempts were made by those who were free from its infatuation to estimate on reasonable grounds its probable effects on the Money Market, and on the general trade of the country. It was clearly foreseen that the excessive speculation which characterized the period referred to could not pass away without producing some extraordinary results; and it was feared that the inordinate extension of railway engagements would lead to a derangement of the monetary affairs of the kingdom, alike disastrous to parties who were primarily involved in such engagements, and to those also who would suffer from their embarrassments, by an unavoidable connexion with them in business. Much ingenuity, and no small amount of labour were bestowed on the subject, the results were not altogether satisfactory. Many of the calculations proceeded upon data that could not be deemed authentic, and the subject of inquiry was altogether so peculiar and unprecedented, that the groundwork for correct reasoning was not easily to be obtained. Since the bubble exploded the subject appears to have engaged less attention than it deserved, although the means of forming a correct judgment have been much increased by the publication of numerous valuable statistical papers on railway affairs. The experience of the past two years has placed at our disposal a vast body of interesting facts illustrating the real character of the "Railway Movement," and we think will be interesting if we bring together some of the more important statistics of the subject, so as to enable those who are interested in the matter to see how far the former calculations of the supporters, and the opponents, of the railway movement respectively confirmed or negatived.

We propose, therefore, in the first place, to direct attention to what the railway movement intended to accomplish in 18

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by giving a statement of the lines of railway projected, and of the capital proposed to be raised by shares and loans. It will be interesting at the same time to review some of the calculations published by the monetary writers of the period, and to see how far they have been confirmed.

Secondly, we shall give a summary of *what was actually effected*, with the consent of the legislature; showing the number of railways authorized to be constructed, and the amount of share capital and loans permitted to be raised. This will complete the first part of our subject. It will show what was proposed, and what was permitted by parliament to be done.

We then come to the statistics of *what has been done*; including the particulars of "calls," and the sums actually raised by the several companies as share capital, and by way of loans.

The third and most important part of the subject refers to *the results*. We have the means of knowing now what has been the effect of this vast speculation, so far as it has proceeded; and we may compare the results with the anticipation.

1.—*Railway Capital proposed to be raised.*

It appears from parliamentary and official returns, that the following was the financial condition of railways, from the commencement of these undertakings in this country in 1823, up to 1844, inclusive:—

The capital authorized to be raised for 71 lines was	.....	£58,650,835
The loans for	ditto ditto	.....: 21,658,582
Total authorised to be raised.		..... <u>£80,309,417</u>

Of this sum it appears, by the Board of Trade returns, that £64,238,600 was expended in railway construction up to 1844.

In 1845, the railway mania reached its climax, and the result was the "projection" of about 1,450 different lines, the mileage of which has never been officially declared; but estimating it on a calculation of the capital proposed for the lines which were registered, it would rather exceed 30,000 miles!

At the commencement of the Parliamentary Session in 1845, the following was the condition of the railway speculation, as given in Mr. Spackman's tables, published in the *Times* on the 17th November, 1845:—

The number of companies projected was	.....	1,428
For which the required capital was stated at	.....	£701,243,208
And the amount of deposits required to be paid up..		£49,592,816

Although it was notorious that the *majority* of these railway schemes were fraudulent, and mere pretences, in order to sell

scrip and defraud those who purchased it; their utter worthlessness could not be clearly demonstrated until the time arrived when each company intending to go to Parliament for an Act, must deposit at the Board of Trade, Private Bill Office, and House of Lords, their plans and sections, preparatory to bringing in their bills. The following was the result:—

The number of companies originally projected was	1,428
Of which (according to a list published in the <i>Times</i> of the 14th	
January, 1846) there failed to deposit plans, &c.	879

Leaving the number of existing companies ..	<u>549</u>
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From this number a considerable reduction took place, in consequence of the required payment of the parliamentary deposits in February, 1845, which the projectors could not accomplish; but the amount of capital intended to be raised for investment in railways, was still larger than had been proposed to be raised at one time for any public companies in this country previously. This will be seen by reference to the following statement of the public undertakings of 1824 and 1825—years which are memorable for their influence in producing the destructive panic at the conclusion of 1825. The statement is drawn up from parliamentary papers, and was published some time since. It shows that the projects of the “bubble years,” as they were termed, were far less imposing than those of 1845.

PUBLIC UNDERTAKINGS IN 1824 AND 1825.

Total of foreign loans, nominal value £34,278,571, contracted for at	£23,722,000
Foreign Mining and other Companies of all kinds, on which a deposit of 10 per cent. was paid	24,467,000
Total of foreign liabilities undertaken	<u>£48,189,000</u>
Mining companies for Great Britain, Jan. 1824 to Jan. 1825 ..	10,400,000
Railroads ditto ditto ditto ..	21,942,000
Canals, Docks, Tunnels, and Bridges ditto ..	14,134,000
Fire and Life Insurance offices at the nominal capital £32,040,700, of which was only required to be paid ..	3,204,700
Water works	2,680,000
Gas companies	7,370,000
Loan, Pawnbroking, investment, annuity, and banking companies	22,160,000
Colonial companies	2,000,000
Steam navigation, building, and bath companies	3,680,000
Provision, milk and flour	3,160,000
Sundry companies, after Jan. 1825	66,047,930
Total subscribed capital on home schemes	<u>£156,778,630</u>

Total of 1824 and 1825.

Foreign loans, mining companies, and other schemes	..	£48,189,000
Home schemes of all kinds to be expended in the country	..	156,778,630

Total subscribed	£204,967,630
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On which was paid up in 1824 and 1825	£35,014,698
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Before leaving this part of the subject, it may be noticed that the chief writers against the extraordinary infatuation which prevailed amongst every class of society in 1845, in favour of railway speculation, urged that it never could be carried out to any extravagant extent, because the savings of the nation would be unequal to even a tithe of the calls which would be annually required. Taking the amount of legacy duty paid annually in Great Britain as the basis of the calculation, it was shown that the value of the *personal* property in this country might be estimated as follows:—

In 1814 its probable amount was	£1,200,000,000
1824 " "	£1,500,000,000
1834 " "	£1,800,000,000
1844 " "	£2,200,000,000

Mr. Wilson estimates the value of real property in 1843 at £1,610,381,680, at twenty years' purchase, and he concludes that the annual savings on personal property would be about *forty-five millions* sterling per annum, and on real property, *fifteen millions* sterling per annum. Of the sixty millions thus accumulating annually, however, by far the greater part is necessarily absorbed in the extension of trade; and probably not more than one-tenth remains for investment in new schemes. The annual expenditure on railways for the twelve years preceding 1844, was only at the rate of *five millions* sterling per annum; and it was concluded that any excess over this sum must necessarily lead to a withdrawal of capital from its legitimate channels. How far this conclusion is justified by the results which have ensued, may be known, now that the effect of the railway expenditure has made itself so evident.

One circumstance connected with our banking system occurred at the time of the payment of the railway deposits into the Bank of England, which demands a passing notice, because it illustrated how admirably the most extensive monetary operations can be conducted without difficulty with our present banking arrangements for economising the use of currency, while, without them, the transaction referred to could hardly have been accomplished at all. When the time arrived for the payment of the deposits into the Bank, which were required to be made in the legal tender, viz., coin, or Bank of England notes, it became a subject for discussion how the several companies would be enabled to

obtain the large amount that was required, without taking out of circulation so great a portion of the currency as to disturb the operations of trade. The late Mr. Alsager, the writer of the city article of '*The Times*' at that period, was so much impressed with the difficulty of the case, that he strongly urged the acceptance by government of stock or other securities in preference to cash. When the day for the payments arrived, however, the whole were made by the bankers of the several companies without the slightest difficulty. The deposits paid on the scrip, when received by the bankers, had been lodged by them in due time to the credit of their accounts in the Bank of England, and the only operation, therefore, was a transfer from the "private deposits" in the Bank's books, of the amount of the railway deposits to another account, opened in the books for the purpose. The whole matter was arranged by transfer entries, and the coin and notes paid into the Bank were quite insignificant in amount.

II.—*Railway Capital authorized to be raised.*

The number of railway companies who succeeded in obtaining Acts, although more numerous than could possibly have been anticipated, was but a fraction of the "projected lines." The results of the Parliamentary Sessions 1845 and 1846 were as follows as respects the new lines:—

Railways Sanctioned.	No. of Miles.	Subscribed Capital.	Loans Authorized.
In 1845 .. 104 ..	2,746½ ..	£31,890,474 ..	£13,678,038
In 1846 .. 250 ..	4,618½ ..	57,675,690 ..	42,318,938
Totals 354	7,365½	£89,566,164	£55,996,976
Capital subscribed as above	.. ..	.. ..	89,566,164
Total authorized to be raised in 1845 and 1846 ..			£145,563,140
Add railway capital previously raised, from 1823 to 1844			80,309,417
Total railway capital and loans			£225,872,557

This sum, we believe, approximates very nearly to the true amount; but as it includes the capital of numerous companies which have since wound up, and returned the deposits remaining on hand, as well as many companies who will never proceed to carry out the objects for which they were formed, the real amount of *bond fide* railway capital is considerably under the sum above specified. It should also be noticed, that of the 250 Railway Acts passed in 1846, many were only short extensions or alterations of existing lines; which will account for the subscribed capital being so much less in comparison to the number of Acts passed than in 1845.

A Parliamentary paper, recently issued, confirms the above calculation of the amount of railway capital authorized to be

raised, making the amount, however, larger, in consequence of having to estimate the capital of some companies which had not furnished particulars, and because it includes the lines authorized in 1847. The return in question, issued from "the Office of Commissioners of Railways, Whitehall," and dated 18th April, 1848, gives the following particulars of railway capital up to that date:—

	By Shares.	By Loans.	Total.	Stock created.
Railway capital authorized to be raised	£222,053,944	£71,348,096	£294,402,040	£196,343,541
Estimate for companies from whom no returns	29,832,020	10,132,935	39,964,955	26,202,127
Total	£252,786,864	£81,581,031	£334,367,895	£222,635,668

Account of the amount of share capital actually paid up by railway companies, and of the loans borrowed up to the 1st of Dec. 1847:—

Amount of share capital actually paid up on 1st December, 1847	£121,641,584
Total debts of the railway companies on 1st December, 1847	39,514,895
Total railway capital already raised.....	£161,156,479

If from this sum of *One Hundred and Sixty-one Millions sterling* raised for railway purposes we deduct the amount raised up to 1844, viz., £80,390,417, we find that £80,766,062 has been raised in the three years ending in 1847; or perhaps we might say in little more than two years, for the calls were not made until the Acts were obtained, and the works actually commenced. This attempt to accomplish in two years what had previously required twelve years could not be effected without producing some great change in the distribution of capital. If the annual savings of the country applicable to extraordinary purposes, such as railway construction, be calculated even at ten millions sterling, being double what had been expended in this manner for the preceding twelve years, it is clear that an attempt to divert *forty millions* sterling annually for the same purpose, would deprive some branches of trade, some species of investment, and some reserve of savings, of the amounts that had hitherto flowed into these channels. And the interesting questions now remain to be considered—how far has this railway expenditure affected the funds and other public stocks? how far has it diminished the resources of the merchant and the tradesman? and how far has it interfered with the deposits in the hands of bankers and others, where the savings of large classes have hitherto accumulated? These questions we must leave for consideration next month, concluding our present article by a sum-

mary of the railway calls made during 1847 and the present year, which will show pretty clearly the rate at which railway expenditure has been proceeding, and confirm the accuracy of some of the statistics previously quoted.

The following is the list of railway calls on English and foreign lines made during 1847 and 1848, so far as the same have been published:—

LIST OF CALLS IN 1847 AND 1848.

	FOREIGN.	ENGLISH, &c.	TOTAL.
Due in January, 1847	£1,612,000	£4,545,863	£6,157,863
Due in February „	nil.	1,393,026	1,393,026
Due in March „	466,000	3,042,065	3,508,065
Due in April „	100,000	4,214,955	4,314,955
Due in May „	402,000	3,038,675	3,440,675
Due in June „	750,000	2,463,481	3,213,481
Due in July „	1,032,000	4,334,155	5,366,155
Due in August „	62,000	2,224,859	2,280,859
Due in September „	800,000	3,361,934	4,161,934
Due in October „	420,000	3,342,342	3,762,342
Due in November „	146,500	1,896,218	2,042,718
Due in December „	nil.	2,423,820	2,423,820

Total Calls for 1847..	£5,790,500	£36,281,393	£42,071,893
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Due in January, 1848	£221,590	£4,638,630	£4,860,131
Due in February „	132,000	2,140,541	2,272,542
Due in March „	1,287,000	1,848,922	3,135,920
Due in April „	550,000	2,209,795	2,759,795
Due in May „	38,500	3,206,348	3,246,848
Due in June „	118,309	2,159,365	2,277,674
Due in July „	176,750	3,900,496	4,077,246
Due in August „	99,422	3,023,351	3,122,773
Due in September „	66,000	2,521,186	2,587,186

Total this year....	£28,340,115
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Making altogether a total of £70,412,008 called up within the space of one year and nine months for investment in Railway works alone.

THE IRISH SAVINGS' BANK ACT OF 1848.

It having been deemed expedient, on 24th August last, by the Select Committee appointed by the House of Commons on 24th July last, to inquire into and report on the laws regulating Savings' Banks in Ireland, that a Bill should be introduced forthwith, regulating the liability of the Trustees, and providing for the appointment of Auditors of the accounts of Savings' Banks, a Bill was accordingly prepared and brought in by the

Chancellor of the Exchequer, and Messrs. Goulburn, Reynolds, John Abel Smith, and Parker, on 25th August last, and after much opposition on the part of the officers of a few of the Savings' Banks in England, and some discussion in the House of Commons, it became law on the 5th ultimo.

The provisions of the Act, which applies only to the Irish Savings' Banks are as follow :

From and after 20th Nov. 1848, the Trustees and Managers of any Savings' Bank in Ireland, who may have declared or may declare, in writing, their willingness to be responsible for a specific amount only, shall not be liable, in the event of a deficiency in the funds required to meet the claims of the depositors, beyond the amount specified. Not only is this regulation to be printed and affixed in the office or place where the deposits are received, but also a statement of the names and addresses of such of the Trustees and Managers, as have so limited or may so limit their responsibility, and the amount of such limit.

The Trustees of each Savings' Bank in Ireland are, as soon as may be convenient after the passing of the Act, to appoint an Auditor or Auditors, not only to audit the accounts of the Savings' Bank, but also to inspect and examine the deposit books of the several depositors; for which purpose a certain number of days, not less than two in every year, are to be specified in the Rules, on any one of which days, the deposit book of each depositor is to be produced at the office of the Savings' Bank, when it is to be inspected, and examined, and compared with the books kept by the officers of the Bank, and verified by the Auditor or Auditors. In the event of a depositor's book not being produced on the last day during each year appointed for the audit, the account is in certain cases to be closed on that day, and thenceforth no interest to be allowed on it. The Trustees and Managers are, however, to have the power to re-open the said account, but to allow interest on it only from the time of the re-opening, unless sufficient cause be shown to account for the non-production of the deposit book on any one of the days fixed. Although the provision respecting the compulsory production of each depositor's book, and its comparison with the books of the Savings' Bank, and verification by the Auditor or Auditors, is to be enrolled as one of the rules of the Institution, in order to secure as far as may be possible its observance, as well by the officers of the Savings' Banks as by the depositors, no fee for certifying the insertion of such provision in the Rules is to be paid to the barrister appointed by the National Debt Commissioners for such purpose.

Every depositor, on making his first deposit, is to be furnished with a copy of the certified rules of the Savings' Bank for his

information and guidance; and a duplicate copy, not only of such certified Rules, but also of every annual statement of the accounts required by the National Debt Commissioners, and furnished to them by the officers of the Savings' Bank, is to be exhibited in the office of such Savings' Bank, for the inspection of those persons who may already be depositors or may intend to become such.

With a view, if possible, to ensure compliance on the part of the officers of the Savings' Banks with the provisions of the present and previous Savings' Bank Acts, and with the orders and regulations of the National Debt Commissioners in regard to them, the Commissioners are, in default of such compliance, to discontinue, if they should think proper, the keeping any further account with the Trustees of the Savings' Banks the officers of which may neglect to comply therewith, and not to re-open such account until such compliance; and whenever an account between the Trustees of a Savings' Bank and the National Debt Commissioners is closed or re-opened, a notification thereof is to be forthwith published, both in the '*Dublin Gazette*' and in a local newspaper.

The Act is to be in force until the 1st of January 1850, and until the end of the then next session of parliament.

There is much in the above provisions, and in the circumstances which gave rise to them, and in the opposition of certain paid officers of Savings' Banks to them during the passage of the Bill through the House of Commons, to call for comment and explanation; and if the evidence adduced before the parliamentary committee in August last had not, for peculiar reasons, been *suppressed*, we might have been in a situation to render them. At present, however,* we shall confine ourselves to a brief notice of a letter emanating from the Moorfields' Savings' Bank, which appeared in the city article of the '*Times*' of 1st September last, and in which it was asserted that the officers of the Savings' Banks in and about London had been taken by surprise by the introduction of the Bill at such a late period of the session. Far from this being the case, the intention of the government to propose the amendment of the Savings' Bank Acts during the recent session, and the nature of the alterations to be proposed, were stated, on the most credible authority, in the "Notes of the Month" in our July Number, and were the subject of consideration among Savings' Bank officers generally for some time previously, the comptroller and secretary of a large Savings' Bank at the west end of the metropolis having obtained permission from the managers of his institution, at a meeting held in June last,

* Although the Act does not extend to the Savings' Banks of Great Britain.

and therefore before they were accurately informed of the precise details of the proposed alterations, to oppose them whenever they might be brought forward by the government.

The threat held out by the writer of the same letter, that if any responsibility were entailed on him and the other managers of the London Provident Institution, he and they would resign their offices, had been previously held out by the officers of other Savings' Banks, as stated in the "Notes of the Month" in our August Number; and the best remedy that could be applied, if that assemblage or any similar one in London should carry out their threat, and voluntarily disperse, is the assumption of the management by the government, and the appointment, by the Chancellor of the Exchequer or the Treasury, of proper officers to conduct the business. The surplus funds of the two principal London Savings' Banks, the Moorfields' and St. Martin's-place, which exceeded £20,000 on 20th Nov. last, exclusive of the value of buildings and offices; and the profit annually derived from their business, amounting to about half that sum, would be amply sufficient to render any appeal by the Chancellor of the Exchequer to parliament for a vote of money to supply any deficiency in the amount of means for defraying the expenses of management altogether unnecessary.

As so little correct information on the subject of the working of the Savings' Bank system is in the possession of the public, we shall continue our exertions to obtain such particulars as will show the real state of the case.

THE BANK OF ENGLAND DIVIDEND.

CONSIDERABLE excitement has been produced in the monetary circles in London by the recent meeting of the Bank of England proprietors, which will be found reported as usual on another page. The directors and the proprietors are at issue on the subject of the dividend, and as it is probable that the meeting may have a considerable effect hereafter in producing a change in the bye-laws, or, in other words, in the present mode of managing the Bank, we think it right to notice, as briefly as possible, the grounds on which the directors differ from the proprietary.

It appears that the profits of the Bank during the past year have been only sufficient to pay a dividend of $3\frac{1}{2}$ per cent., and the directors accordingly proposed a reduction of the dividend to that amount.

The proprietors resist this alteration on two grounds; first, that the directors should not reduce the dividend to so large an extent at once, because the Bank may not during the past half-year have realized its usual profits; and, secondly, because the

"Rest" is already higher than the proprietors think necessary, and that the deficiency required to pay the higher dividend for the ensuing half-year ought therefore to be taken from the Rest.

The *Times*, who supports the proprietors on this occasion, gives a very fair history of the progress of the "Rest," and asks why the amount has been continually increased, and when it is to stop? The *Globe* and *Daily News*, on the other hand, attack the proprietors very warmly for endeavouring to usurp the functions of the directors on this occasion; and assert, with some show of reason, that the directors must be the best judges of what is the proper dividend to be paid, and that the proprietors ought to acquiesce without discussion in their decision. The result of the ballot seems to confirm the latter view of the case, as the directors have gained a majority of fifteen in favour of their views; but as the *Morning Herald* points out, this seeming majority of fifteen is in fact a minority of eleven, if the votes of the directors themselves are not included. And it asks whether the court, in the face of such an expression of opinion, will continue to defy the wishes of the proprietary.

It is probable that the proprietors, seeing the objection of the directors on all occasions to make any addition to the dividends, and their desire to add to the Rest, will take the matter into their own hands by fixing the amount which the Rest shall be allowed to attain.

AGRICULTURAL STATISTICS OF IRELAND.

THE importance of correct agricultural statistics at the present time can hardly be overrated, and we are happy to find that an attempt has at last been made to collect officially some of the information which is so much desired. Our contemporary the *Economist*, who is often enabled to obtain the earliest official statistics, has been the first to publish the following tables relating to the culture of land in Ireland, which will be found exceedingly interesting. The parliamentary paper from which they are taken has since been issued, and may be obtained for a few pence. It is a valuable document.

The tables have been drawn up, by the direction of the Lord Lieutenant of Ireland, by Mr. Larcomb, exhibiting an accurate account of the quantities of land throughout Ireland occupied with the various descriptions of crops, and the quantity of each description of produce grown thereon in 1847. The mode in which these accounts are framed, and the means adopted to

secure minute accuracy, are such as to entitle them to the most perfect confidence. From these returns it appears, that the entire production of Ireland, in 1847, was as follows:—

	Extent of Crops. Statute Acres.	Quantity of produce. Quarters.
Wheat	743,871	2,926,733
Oats	2,200,870	11,521,606
Barley	283,587	1,379,029
Beer	49,068	274,016
Rye	12,415	63,094
Beans.....	23,768	84,456
	<u>3,313,579</u>	<u>16,248,934</u>
	Acres.	Tons.
Potatoes	284,116	2,048,195
Turnips	370,344	5,760,616
Mangel wurtzel.....	13,766	247,269
Other green crops.....	59,512	729,064
	<u>727,738</u>	<u>8,785,144</u>
	Acres.	Cwts.
Flax	58,312	349,872
	Acres.	Tons.
Hay	<u>1,138,946</u>	<u>2,190,317</u>

From the elaborate tables, of which this is the result, we learn that the average produce of wheat was nearly 4 quarters per acre ($31\frac{1}{2}$ bushels), of oats $5\frac{1}{2}$ quarters per acre, and of barley $5\frac{1}{2}$ quarters per acre; and that potatoes yielded $7\frac{1}{2}$ tons per acre.

Very much depends (says the Editor) upon the distribution of the surface of the land, as to the amount of food produced; and no inquiry into the actual state of the crops can be considered perfect which does not embrace this important part of the subject. It is generally known, that in Ireland the surface planted with potatoes in the present year is very much larger than last year, when it was considered to be only about a third of that of 1846. We have received, from a source on which we are entitled to place much reliance, the nearest estimate which could be formed of the surface of land in Ireland cultivated with the different descriptions of crops in the present year, referable to twenty-one counties out of thirty-two. Comparing the results of these careful estimates with those which were published in Mr. Larcumb's report to the Lord Lieutenant, presented to parliament, and to which we have already alluded, we find some very interesting and remarkable results, which are shown in the following table:—

IRELAND.—Extent of Land, in statute acres, cultivated in 1847 in the under-named Counties, with an Estimate of the extent cultivated in 1848:—

Counties.		Wheat.	Oats.	Barley & Beer.	Potatoes.	Meadow & Clover.
Antrim.....	{ 1847	10,336	107,615	5,411	14,395	49,929
	{ 1848	9,836	106,715	4,511	17,274	50,629
Carlow.....	{ 1847	13,470	26,523	7,084	6,873	23,926
	{ 1848	14,500	30,523	7,584	20,619	25,000
Clare	{ 1847	24,308	40,437	17,318	6,129	35,736
	{ 1848	14,880	33,433	20,806	16,836	34,591
Cork	{ 1847	113,746	127,485	46,242	39,829	86,689
	{ 1848	95,084	143,748	46,230	136,914	85,458
Donegal	{ 1847	5,816	113,080	8,607	10,983	33,990
	{ 1848	7,600	110,080	8,607	20,000	30,000
Fermanagh	{ 1847	6,593	45,164	2,204	3,681	28,712
	{ 1848	..	41,176	..	7,630	28,712
Galway.....	{ 1847	33,523	93,070	13,975	12,876	37,146
	{ 1848	9,332	93,557	11,646	70,260	37,146
Kerry	{ 1847	5,616	40,188	10,479	18,319	47,091
	{ 1848	2,200	32,000	14,500	55,092	41,250
Kilkenny.....	{ 1847	50,112	52,088	11,217	9,403	43,082
	{ 1848	47,144	52,394	11,414	47,410	28,721
Leitrim	{ 1847	2,845	32,802	317	2,599	22,895
	{ 1848	3,872	48,901	400	12,500	23,000
Limerick	{ 1847	40,902	67,098	9,416	12,141	57,839
	{ 1848	31,789	67,354	7,646	33,388	57,839
Louth	{ 1847	19,904	30,929	21,120	3,545	18,909
	{ 1848	19,242	32,077	22,089	9,068	17,018
Mayo	{ 1847	10,301	62,450	15,587	6,674	13,277
	{ 1848	10,509	51,870	13,566	17,101	15,172
Monaghan	{ 1847	6,436	87,752	5,993	6,436	13,538
	{ 1848	6,436	87,752	5,000	25,744	10,000
Queen's	{ 1847	26,648	37,596	8,134	8,523	48,252
	{ 1848	28,148	44,596	9,134	17,523	43,252
Roscommon.....	{ 1847	10,712	63,534	1,779	3,916	23,649
	{ 1848	10,459	57,650	1,659	22,343	24,862
Tipperary.....	{ 1847	94,356	81,446	22,639	17,017	72,991
	{ 1848	102,219	95,020	24,532	187,187	72,991
Tyrone.....	{ 1847	6,737	156,304	2,384	14,101	28,134
	{ 1848	17,792	108,987	8,630	50,301	26,611
Waterford	{ 1847	38,639	37,505	11,337	5,937	15,502
	{ 1848	44,000	31,505	11,237	16,000	13,502
Wexford	{ 1847	38,876	75,363	40,852	9,860	41,403
	{ 1848	59,175	95,480	54,651	16,709	55,750
Wicklow	{ 1847	7,821	43,690	5,315	5,204	49,779
	{ 1848	7,000	40,000	4,010	14,000	48,462
Total	{ 1847	567,697	1,412,119	268,410	218,441	792,469
	{ 1848	561,217	1,404,818	287,852	813,899	769,066

No available returns were received from the counties of Armagh, Cavan, Down, Dublin, Kildare, King's, Londonderry, Longford, Meath, Sligo, and Westmeath.

Office of Public Works, Aug. 6, 1848.

Taking for granted, which we believe we may safely do, that the remaining counties, not included in this table, show a similar proportion of the different crops, then we have the following comparison between the years 1847 and 1848 for the whole of Ireland:—

Extent of LAND cultivated in Ireland with the undermentioned produce in 1847 and 1848:—

	1847.		1848.
	Acres.		Acres.
Wheat	743,871	....	735,000
Oats	2,200,870	....	2,187,000
Barley and beer	332,655	....	355,537
Rye	12,415	....	13,238
Beans	23,768	....	25,224
Potatoes	284,116	....	1,054,000

The most remarkable feature in these accounts, and which must be considered of great importance, is the enormous increase of the cultivation of the potato, without any reduction in the quantity of grain. Of turnips, flax, meadow and clover, the reduction is considerable; but these are of less importance when we are considering the supply of human food. The above table also shows the remarkable fact, that 540,821 acres additional are in cultivation in the twenty-one counties specified, as compared with 1847. So that, in considering the entire supply of human food in Ireland in the present year, we have thus presented to us three very important facts,—first, that the entire quantity of land in cultivation in the counties given is 540,821 acres more than in 1847: second, that the quantity of land planted with grain is fully as great as in 1847; and third, that the surface of potatoes shows an increase in the twenty-one counties given, from 218,441 acres to 813,899 acres; and supposing the same proportion to be maintained in the others, the increase in the whole of Ireland will be, as stated above, from 284,116 acres to 1,054,000 acres; which, if the crop had yielded as well as in 1847, would have given a product of 7,641,500 tons, against 2,048,195 tons last year. And this leads us to the fact, that if *one-third* of the crop is saved, so far as regards potatoes, there will be as large a quantity as in 1847. It will be remembered that last year we estimated that the potato crop, though generally quite sound, did not really furnish more human food than it did in 1846, when it failed so signally; and it appears that a very great destruction of the potato crop may occur in the present year, without reducing the quantity available for food.

A second report from Mr. Larcomb to the Lord Lieutenant, dated 12th August last, in continuation of the preceding statistics,

refers, first, to the very important subject of the size of the farm holdings in Ireland; and, second, to the numbers of live animals existing thereon, distinguishing the kinds, in 1847. The report institutes a very interesting comparison on these two important questions, as regards the condition of Ireland, with the returns which were made in the census of 1841. By this comparison we learn that a very important change has been effected in the six years which have elapsed from 1841 to 1847 in the size of Irish farms; that while there has been a very remarkable decrease of those of the smallest size, there has been more than a corresponding increase of those of a larger class. These facts are shown, in a clear and intelligible form, by the following table:—

HOLDINGS IN IRELAND IN 1841 AND 1847.

	Census. 1841.	Returns. 1847.	Increase.	Decrease.
Number of farms from 1 to 5 acres	310,375	139,041	..	171,334
„ „ from 5 to 15 „	252,778	269,534	16,756	..
„ „ from 15 to 30 „	79,338	164,337	84,999	..
„ „ from 30 upwards	48,623	157,097	108,474	..
Totals	691,114	730,009	210,229	171,334

We have here the highly gratifying fact, that the entire number of farms has increased in six years from 691,114 to 730,009, or by 38,895 farms, which is chiefly gratifying from the further fact, that the increase has not taken place by a continued subdivision of larger to smaller holdings, which has hitherto been the great bane of Irish agriculture. On the contrary, this comparison shows that Irish agriculture is now at length following the example set by England and Scotland. The smallest class of farms have diminished in number by no fewer than 171,334, while the larger classes have increased by a greater ratio. It will, moreover, be observed, that while the second smallest class shows an increase of only 16,756, the next class above shows an increase of 84,999, and the largest an increase of no fewer than 108,474. So that, not only have the number of farms increased by 38,895, but a remarkable increase has also taken place in their average size. In 1841, the number of the smallest size was 310,375, and of the largest 48,623. In 1847, those numbers show a remarkable change, the former having diminished to 139,041, while the latter has increased to 157,097; leading to the general conclusion, that a very large increase in the entire quantity of cultivated land has taken place during the period in question. Not only has the number of farms increased by 38,895, but a remarkable increase has also place in their average size.

The second part of these returns, showing the number of live animals of various kinds belonging to each of the different

classes of farms in 1847, furnishes a comparison with those which existed in 1841 no less striking and instructive. If an evidence were required to show the superiority of large holdings by men with capital, in a national point of view, no stronger one could be furnished than is contained in the following table, which shows the *increase* and *decrease* of each description of animal, comparing 1847 and 1841 on each class of holding:—

	HORSES & MULES.		ASSES.		CATTLE.	
	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.
Under 1 acre .....	..	28,219	..	17,405	..	67,168
Above 1 to 5 .....	..	63,678	..	12,593	..	200,225
" 5 to 15 .....	..	74,225	25,234	..	..	164,339
" 15 to 30	22,186	..	16,858	..	89,638	..
" 30	130,222	..	22,033	..	541,622	..
	<u>162,408</u>	<u>166,122</u>	<u>64,125</u>	<u>29,998</u>	<u>631,260</u>	<u>432,603</u>
	Decrease. 13,714		Increase. 34,127		Increase. 199,257	
	<u>13,714</u>		<u>34,127</u>		<u>199,257</u>	
	SHEEP.		PIGS.		POULTRY.	
	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.
Under 1 acre .....	..	100,678	..	323,337	..	1,850,632
Above 1 to 5 .....	..	203,109	..	228,882	..	1,383,944
" 5 to 15 .....	..	213,243	..	260,881	..	982,921
" 15 to 30 .....	..	2,918	..	80,026	207,276	..
" 30	600,306	..	107,687	..	1,253,575	..
	<u>600,306</u>	<u>519,948</u>	<u>107,687</u>	<u>895,126</u>	<u>1,460,851</u>	<u>4,217,497</u>
	Increase 80,358		Decrease 787,439		Decrease 2,756,648	
	<u>80,358</u>		<u>787,439</u>		<u>2,756,648</u>	

The remarkable results exhibited here are no doubt mainly to be attributed to the effects of the loss of the potato crop in 1846, and the famine which ensued. But then they show in a striking degree the benefit which the country derives from farmers with capital at such a moment. It will be seen that, with one exception, there is a large *decrease* in the numbers of cattle owned in 1847 in the three smallest classes of farms, and that in many cases it is only in the largest class that any increase has occurred to set off against the decrease on the others. It will be remembered that, during the winter 1846-7, the accounts from Ireland represented the markets as being crowded with cattle and pigs in a condition totally unfit for human food, which the owners were compelled to sell for want of means to feed them. It would appear that the farmers with capital then purchased these animals which must otherwise have perished, and thus preserved them to add to the future agricultural wealth of the country, and furnish the markets with the required quantity of food. But still even the interposition of the larger farmers seems to have been unable to prevent a balance of decrease only in three cases—cattle, sheep, and asses; while of

pigs, poultry, horses, and mules, the decrease upon the small farms greatly exceeds the increase upon the larger ones ; and this is more especially apparent with regard to pigs and poultry, which were chiefly kept and fed by small farmers. Of pigs, a decrease of no fewer than 895,126 is observable in the four smallest classes of holdings, while in the largest class, the increase is only 107,687, leaving a balance of decrease 787,439. Of poultry, in the three smallest classes of holdings, there is a decrease of 4,217,499, while in the two largest classes, the increase is only 1,460,851, leaving a balance of decrease of 2,756,648. These facts exhibit, in a strong light, the disastrous effects of the failure of the crops in 1846 upon the smaller holders, who chiefly rear and feed these two descriptions of stock. It is, however, satisfactory to observe, that with regard to the more important stock, viz., sheep and cattle, while a very alarming decrease has occurred among smaller holders, more than a corresponding increase has taken place on larger farms.

The falling off in the imports of bacon from Ireland during the past year is strikingly shown in the following tables. In the first six months of 1847 and 1848, the imports have been, compared with 1846, as follows :—

	1848		1847		1846
	cwt.		cwt.		cwt.
Bacon	114,260	....	42,190	....	1,327
Pork	114,676	....	121,306	....	27,180
Total	228,936		163,496		28,507

SECOND REPORT OF COMMITTEE ON COMMERCIAL DISTRESS.

THE EVIDENCE ON BANKING IN IRELAND.

THE following is the Second Report of the Committee of the House of Commons, accompanying the evidence relative to the operation of the Banking Acts of 1845, in Ireland and Scotland :

The Secret Committee of the House of Commons “appointed to inquire into the causes of the recent commercial distress, and how far it has been affected by the laws for regulating the issue of bank notes payable on demand,” and who were empowered to report from time to time to the House, have made a further progress in the matter referred to them, and have agreed to this their final report :—

“1. Your Committee in further prosecution of the inquiry intrusted to them, have examined several gentlemen connected with the mercantile and Banking interests of Scotland, the Governor of the Bank of Ireland, and other gentlemen connected with the mercantile and banking interests of that country.

“2. Your Committee submit the evidence of these gentlemen

to the House, together with that of other witnesses who have been examined in reference to an incidental point which has been raised regarding the effect upon the India trade of the system followed by the East India Company in making advances on goods hypothecated with them in India.

"3. In the opinion of the witnesses from Scotland and from Ireland, no material effect has been produced upon the monetary or commercial affairs of those countries by the Acts of 1845, by which the issue of notes payable on demand in those parts of the United Kingdom is regulated.

"4. Evidence has been given by some of the witnesses as to the effect both in Scotland and Ireland which they attribute to the Act of 1844; but as on this subject your Committee have already stated their views, they do not think it necessary to offer any further observations thereupon.

"5. With regard to the Acts of 1845, your Committee are of opinion that it is not expedient to make any alteration in their provisions.

"6. Your Committee submit in the appendix various accounts, in which much valuable information will be found on the whole subject of their inquiry.

"August 2, 1848."

The witnesses examined before the Committee on the State of Banking in Ireland and Scotland were as follows:—*For Ireland*, Messrs. John M'Donnell, Robert Murray, and James Bristowe; and *for Scotland*, Messrs. J. G. Kinnear, J. A. Anderson, Robert Bell, and J. F. Macfarlan. The witnesses who gave evidence as to the Trade with India, referred to in the Report, were Messrs. William P. Paton and J. D. Dickinson.

The Report of the Committee was carried by a majority of *one*; the numbers being, for the Report five, against it four.

Reserving for another occasion an examination of the evidence as to Banking in Scotland, we now give full reports of the evidence of Messrs. *McDonnell* and *Murray* relating to Ireland.

HOUSE OF COMMONS, 27th June, 1848.

EVIDENCE OF JOHN M'DONNELL, ESQ.

6575. *Chairman.*] You are the governor of the Bank of Ireland?—I am.

6576. How long have you been in the direction?—Since 1831 or 1832; I have been governor since April last.

6577. Will you have the goodness to state to the Committee what you consider to have been the causes of the distress in Ireland during the last two years?—I should say the primary cause was the failure of the potato crop.

6578. When did the difficulties commence with you?—I doubt whether the commercial difficulties were felt till perhaps the latter end of last year; there were apprehensions entertained from April 1847, indeed, from the previous harvest, when it became quite evident we should want food; then orders to

supply the want of potatoes were sent out to such an extent that some difficulty arose in getting money to pay for the importation so required.

6579. Did you feel any pressure upon the money market in the latter end of 1846?—No; I doubt whether there was any pressure in 1846.

6580. In 1847 you felt the pressure?—Yes; 1847 was the time the pressure took place, and not the early part of 1847.

Rate of Interest in Ireland.

6582. *Chairman.*] What was the rate of discount in April, 1847?—The rate fluctuated a good deal in 1847; in January 1847 our rate of discount at the Bank of Ireland on English bills was $4\frac{1}{2}$ per cent., and on Irish bills $5\frac{1}{2}$ per cent.

6583. Did you make any difference in the rate of discount between August 1846 and January 1847?—Through the whole of 1846 the rate of discount was unchanged; I should say that the rate was 4 per cent. on English bills, and 5 per cent. on Irish bills.

6596. What was the rate of discount in October 1847, just before the issue of the Government letter?—In October 1847 the rate of discount was very high; it was 8 per cent.

6597. Was that before the issue of the Government letter?—Yes; in April the rate was 6 per cent.; in May it was $6\frac{1}{2}$ and 7 per cent., and in October it was 8 per cent.

6598. *Mr. Chancellor of the Exchequer.*] Can you give the fluctuations in the rate of discount between May and October?—The fluctuations in the rate of discount between May and October were from $6\frac{1}{2}$ to 7, and 8 per cent. in October.

6599. *Chairman.*] What was the rate in September?—I do not find that I have the rate in September here; I take it that it was continued from May till September at from $6\frac{1}{2}$ to 7 per cent., and that it was advanced in October to 8 per cent.

6600. Was there a difficulty in obtaining money before the issue of the Government letter?—Not as regards the Bank of Ireland; we never refused money or cash on good bills, bills that we thought were not likely to meet with dishonour.

Losses in Ireland from Railway and Corn Speculation.

6684. Was there any great over-speculation in trade in Ireland in the year 1846?—No; I think not; except, perhaps, in grain.

6585. Was there no speculation in railways in Ireland?—The railways were a cause, and to a considerable extent, of money being scarce; but I doubt whether any embarrassments or failures took place in 1846 arising from railroads.

6586. Have you had the means of knowing whether the parties who have failed were engaged in railway speculation; does it appear that any of the failures that have occurred are attributable to the speculation in railways?—Not entirely; but the railways aggravated the failures to some extent.

6587. I mean in the particular cases of parties who failed?—I doubt whether I recollect any failure that would be entirely attributable to railway speculation.

6588. Do you attribute much of the difficulties in Ireland to the speculation in railways?—No, I think it would be unfair to attribute much of it to railways; but the spirit of speculation was very active at that time, from the profit which was found to be made by dealing in shares; but I do not think that the parties who became embarrassed from railway speculation, or engagements of that kind, were the original parties; there were parties who got up the shares to a premium, and then sold them, and the parties into whose hands those shares fell were the ultimate sufferers.

6589. Had you any failures in the year 1846?—Very few; I do not think

there were any considerable failures in the year 1846; in the year 1847 the failures were very considerable.

6590. About what time?—Towards the latter part of the year.

6591. Had you any failures consequent upon the difficulties of April 1847?—I think not; there might have been some, but I do not recollect any.

6592. Had you any failures connected with corn speculation?—Yes; we felt it, I think, more indirectly, in Dublin; there were failures in Limerick, and in Derry, and in Sligo, and some failures, but not very considerable, in Galway, and some in Cork.

6593. When were those failures?—About the latter part of the year 1847.

6594. Mr. *Thorneley*.] Were the failures in the corn trade the consequence of losses upon imported corn?—The failures at the concluding part of the year 1847 were attributable to engagements entered into which had not been felt so long as parties had been able to get money; but I think it was at the latter end of the year that the difficulty in getting money began to be felt; I speak from recollection.

6595. The failures in the corn trade were not owing to speculations in the trade in corn, the growth of Ireland?—No; they were owing to the foreign corn that was imported.

Refusal of Discount in Dublin in 1847.

6601. Did you at that time (before the issue of the government letter in October) refuse any bills that you would not have refused under other circumstances?—Yes, I think we did.

6602. Can you state what was the nature of the bills that you refused?—The bills that we refused came at Dublin circuitously; they came through Scotland; I think some of them originated in Scotland, and some may have originated elsewhere, but I recollect that bills were refused that came through Scotland; we concluded that money must be very scarce there, and that we were lending it too easily, and therefore those bills were refused.

6603. Were the bills which you refused bills that you were not in the habit generally of discounting?—Yes.

6604. What were the dates of those bills?—They were bills that we would have called in course; 60 days were about the usual dates of those bills; they were not long bills.

6605. Are you in the habit of discounting long bills?—Not beyond 90 days, unless upon a special application, which we never refused, if we saw it was one which ought to be acceded to.

6606. With the exception of those bills which were not of a description usually presented to you for discount, you refused no bills?—No, not if the parties offered security; we might have refused bills which were drawn by parties who were deep in speculations in corn, but we did not refuse the bills of any parties who offered security, such as a banker ought to lend money upon.

Effect of the Government Letter of October, 1847.

6610. *Chairman*.] What was the effect of the issue of the Government Letter in Ireland?—The effect was of a very sedative character; it was felt at once, and it was calculated to relieve the public mind from the apprehension which, I think, at that time was very prevalent. I find that immediately after the issue of that letter, we lowered the rate of discount to 7 per cent., and afterwards to 6 per cent.

6611. Can you give the dates of those alterations in the rate of discount?—The government letter was issued in October, and in November we reduced the rate 1 per cent., from 8 to 7 per cent., and in December we reduced it to 6 per cent., and in the latter end of December to 5½ per cent. for English, and 6 per cent. for Irish bills.

Opinion of the Acts of 1844 and 1845.

6612. *Chairman.*] Do you consider that the Act of 1845 was one of the causes of the difficulties of 1847?—The Act of 1845 regulated the Irish banks and the Scotch banks; I think it had very little effect in Ireland, and no injurious effect I should say.

6613. So far as regards the check that the Act imposed upon the formation of new banks of issue, do you consider that that was beneficial or injurious?—I think it was very beneficial. Banking before that time had not been, I think, managed with the care, or based on the capital, that ought to form the basis of banking, and banks were formed that never ought to have been permitted to issue paper; the Acts of 1844 and 1845 put a stop to that.

6614. Do you think that so far as that part of the Act goes, its effect was beneficial in Ireland?—I should certainly say so; banking previously was based on too loose and unsafe a footing, and the Act had, I think, the effect of checking that error; indeed it put a stop to it.

6615. Do you consider that it might have prevented accommodation being given during the time of the difficulties?—As regards accommodation on mercantile paper I think not; I do not think that any man who had good bills, which ought to be discounted, was refused money after 1845.

6616. Was there any symptom in Ireland, to your knowledge, of any want of circulation?—I think not; I am not aware of any complaint of that sort.

6617. Do you think the Act of 1844 had any injurious effect in Ireland?—I think not.

6618. Do you see any improvement that could be made in either of the Acts?—I looked at the measure at the time as one rather injurious to the public, in throwing the limit open which previously existed. Previous to the Act of 1845 the Bank had the exclusive privilege of issuing notes within a circle of 50 Irish miles round Dublin; by that Act they were deprived of that privilege, and if that privilege had remained I think it would have been of more advantage to the country generally; under the former state of things the Bank had the power, if too full a circulation took place, in some degree of checking it; that power was taken from them, and I think in that way it operated injuriously; but, with that exception, I do not think there could be any objection to the Act.

Approves of the Bank's Weekly Account.

6640. *Mr. Thorneley.*] Do you approve of the weekly publication of the accounts of the Bank of England?—I think we find them useful; they always indicate the state of the money market; we draw a conclusion from them as regards the exchanges, and endeavour to be prepared for such occurrences as may arise.

Effect of Railway Investment in Ireland.

6641. *Chairman.*] Are you of opinion that the investment in railways had any material effect upon the money market in Dublin?—It gave a great impulse to local trade for a time, to labour, and to the materials of which railroads are composed; no doubt it gave an appearance of great prosperity for a time, in the years 1845 and 1846.

6642. Do you believe that it was the means of withdrawing capital from commercial purposes, and making money dearer and scarcer?—I think when the instalments from time to time became payable, it must have created a pressure for money; but we had a good deal of the money that was engaged in railroads from this side of the water; indeed, I do not think we could have got up a railroad unless we had been aided by capital from this side of the water.

Opinion of the Act of 1845.

6643. Sir Robert Peel.] Have you found any practical difficulty on the part of the Bank of Ireland, arising from the Act of 1844?—The Act of 1844 did not affect us; it was the Act of 1845 that we were affected by.

6644. Do you approve of the restrictions which were imposed by the Act of 1845, more particularly those which prevented the establishment of new banks in Ireland?—I think it was a very wholesome measure; I merely express my private opinion, and I am a very poor judge of such matters, but my impression is, that it afforded greater protection to the general credit of the country, and prevented much of the misery and ruin which would have resulted if banking had been *ad libitum*, as it was before.

6645. Have you a recollection of the ruin that has prevailed in former years through a great part of Ireland from the insolvency of different banks?—The date of that was rather remote, but I have a recollection of it; the insolvency was frequently to a ruinous extent to the poor people who held the notes; indeed I myself hold some of the notes now of a bank which failed in 1795.

6646. The ruinous consequences fell principally upon the small holders of notes?—Yes.

6647. Do you think that the result of the Act of 1844 has been an improved mode of conducting banking business in Ireland?—Yes, I think it has; it has given greater stability to the banks.

6648. And given more confidence to the public?—Yes.

6649. Have you any suggestion to offer with respect to any alteration of the law?—I should suggest; but it is rather of a personal character, as it applies to the Bank of Ireland, that it would have been better if we had not been deprived of the privilege which we possessed before that Act passed.

6650. You think, with the governor and deputy governor of the Bank, that the Act of 1845 imposed rather hard restrictions upon the Bank of Ireland?—I do not complain of them; but I think that it would be an advantage to the public if we had more latitude than we now have.

6651. With that exception you express an unqualified approbation of the Act of 1845?—I do not mean for a moment to complain of the Act; the Act, perhaps, gave us as much as we could fairly have asked; for we might have sought a little more for the management of our portion of the public debt, but I do not complain of that; we have the machinery, and we must pay for that; we could do four times as much as we now do with the same machinery with regard to payment of the interest on the public debt; but I am speaking merely as an individual. I doubt whether I have heard the Board complain.

Operations of the late Agricultural Bank of Ireland.

6652. Mr. Thorneley.] You mentioned that the failure of the Banks in Ireland was comparatively remote: was there not a bank called the Agricultural Bank of Ireland that failed recently?—Yes.

6653. Have you any idea of what the amount of notes was that that bank contrived to get into circulation?—No, I have not, but it was considerable.

6654. Were not the shareholders obliged to come to Parliament for an Act to relieve them from the obligations under which they were?—Yes, those men who had any property that was looked to to liquidate the demands upon the bank came to Parliament for an Act.

6655. Sir Robert Peel.] Having no corresponding amount of capital, they contrived to get out a large amount of notes?—Yes.

6656. Was that in addition to the existing circulation, or did they draw in other notes for those that they issued?—They endeavoured to get hold of

good notes, and to substitute their own for them; I doubt whether this added much to the general circulation of the country.

6657. They put out into circulation their bad notes, and got in good notes in lieu of them?—Yes; the ramifications of it were very extensive throughout the country, and they had a great many friends; it was considered that it would be a great relief to commerce and agriculture to have such a bank established.

6658. Mr. *Thorneley*.] Where was the head office of that company established?—It was in Fleet Street, Dublin.

6659. Had they branches?—Yes, in every town where they could get agents.

27th June, 1848.

ROBERT MURRAY, Esq., Examined.

6660. *Chairman*.] You are managing director of the Provincial Bank of Ireland?—I am the general manager of that bank in Ireland.

6661. How long have you been in that situation?—Since 1825.

6662. How many branches has the Provincial Bank of Ireland?—Thirty-nine.

6663. Are those branches scattered all over the country?—Yes.

6664. Will you have the goodness to describe what you consider to have been the state of trade in Ireland in August, 1846?—The state of trade in Ireland in August, 1846, was tolerably good; there was no particular pressure upon any branch of trade in August, 1846.

6665. Had there been any great excitement in trade in Ireland at that time, or previously?—No, none, except that produced by the extraordinary speculations in railways; that extended itself more or less to Ireland, but I do not think that the trade of the country at that period was in any particular state of excitement.

6666. You saw no indication of over-speculation, except as regards railroads?—None.

Rates of discount charged in 1847.

6667. *Chairman*.] What was the rate of discount in August, 1846?—Four and five per cent. were the rates of discount.

6668. Was there any alteration in the rate of discount from August, 1846, to the beginning of January, 1847?—I do not think there was till the beginning of January; but very serious apprehensions began to be entertained between August, 1846, and January, 1847, in consequence of the entire failure of the potato crop, and the probable effects thereof on the money market.

6669. As a manager of the Provincial Bank, considerable apprehensions were raised in your mind in consequence of the failure of the potato crop?—Very great apprehensions were entertained from the month of July, but the effect of those apprehensions was not felt seriously till the month of November following.

6670. Did you take any precautions in your transactions, in consequence of those apprehensions being entertained by you?—We did; from the July preceding we watched the monetary transactions of the country more narrowly than before.

6671. But you did not raise the rate of interest?—No, not until the 26th of January, generally.

6672. You stated that there was some pressure towards the latter end of 1846?—Yes; the demand for money for the supply of food became very large during the months of November and December 1846; there was a very strong feeling existing, that the rate of interest should have been higher than it was,

probably from the month of October preceding, but we did not feel it so much until January, 1847. There was a strong impression, from the large supplies of food that must be imported into Ireland, in consequence of the failure of the potato crop, money must become scarce, and that therefore it was necessary to increase the value of it, in order to prevent over-speculation in food; and it was deemed necessary, in the months of November and December, to look very cautiously to all transactions, and, upon particular transactions, to increase the rate of discount, though there was no increased rate of interest generally, till the 26th of January, 1847.

6673. But, on looking back now, you think it would have been desirable to raise the rate of interest at that time?—I think it would; but it was a very difficult matter to deal with; there is a great difference between a short and an over-supply of food; it is easy to see what should have been done, after the matter is over; it was not so at the moment; but I think it would have been a wise measure to have raised the rate of interest on the 1st November, 1846.

6674. You raised the rate of discount on the 26th of January; up to what did you raise it?—Five-and-a-half per cent., the maximum rate.

6675. How long did that rate continue?—Up to the 23rd of March, and then we raised it to 6 per cent.

6676. Did you feel in Ireland the pressure that was felt in England in April, 1847?—We did.

6677. What was the highest rate of discount that you charged at that time?—On the 5th of May it was $6\frac{1}{2}$ per cent., and on the 15th of May it was 7 per cent., which remained the maximum rate until the 25th of October, when it reached 8 per cent., which continued through the remainder of the pressure of October and November, 1847.

6678. In reference to April, 1847, was there any difficulty in obtaining accommodation in Dublin upon good bills at that time?—Certainly not by parties who stood in good credit, and who were entitled to it; there was a good deal of anxiety as regards the stability of parties, because it was apprehended, from the extensive corn speculations that had been entered into, there would be failures; but no person in good credit had any difficulty in obtaining his usual amount of accommodation, except that he paid more for it; he paid a higher rate of discount.

6679. There was no alteration in the rate of discount from the 15th of May till October?—Yes, there was a slight decrease in the rate of discount; on the 14th of July the rate of discount was reduced to $6\frac{1}{2}$ per cent., being the minimum rate.

Commercial failures in Ireland in 1847.

6680. *Chairman.*] Were there many failures in Ireland consequent upon the difficulties of April?—There were a good many; commercial distress began to manifest itself in that way towards the beginning of April; then there were very numerous failures from that time till August, when they increased in consequence of the stoppages of the large corn houses on this side of the channel.

6681. Were they houses connected with the corn trade that failed?—They were connected with the general trade of the country; we had not any extensive corn failures till the beginning of August; the failure of parties in Ireland was the consequence of the failure of large English houses, inasmuch as the large English houses were the acceptors of bills drawn upon them by Irish houses; and further there was a large amount of acceptances of Irish parties to English houses, payable in London, that we did not see in Ireland, and which had been put into circulation in England for the purpose of carrying on extensive corn speculations. We did not discover this till it was too late; we thought we saw all the business that was carried on, but we did not see all the commercial obligations that the Irish parties were under which were not held by Irish banks, but by English banks.

6682. When were the failures of the English corn houses?—The first failure was, I think, upon the 6th of August, 1847.

6683. It was after July that those failures took place?—Yes, August and September were the periods of the failures.

No refusal of banking accommodation on good bills.

6684. *Chairman.*] When did you raise the rate of discount again?—Not till the 26th of October.

6685. What rate did you raise it to at that time?—To 8 per cent.

6686. What made you raise it to 8 per cent.?—The steps necessarily taken by Her Majesty's Government in England in consequence of the state of matters here—I mean the letter of Lord John Russell and the Chancellor of the Exchequer—imposed upon us, not only as a duty, but as a matter of protection, the raising it to 8 per cent.

6687. Your rate before the letter was issued was $6\frac{1}{2}$ per cent., and you raised it to 8 per cent. in consequence of the letter?—Yes.

6688. Had you refused accommodation upon good bills up to the time of the issue of the Government letter?—Certainly not; there was no man who stood in good credit who had the smallest reason to complain of his usual accommodation being limited.

6689. Do you believe that the course adopted by your bank in that respect was the course adopted by others?—I have every reason to believe it was the course adopted by the Bank of Ireland. There was great vigilance exercised with regard to the credit of parties, but no man who stood in good credit had any reason to complain of want of accommodation from any of the banks.

State of the Circulation in Ireland from January, 1846, to May, 1848.

6690. *Chairman.*] Did you find any difficulty at the time in regard to the circulation?—We had an amount of unemployed circulation in Ireland at that time.

6691. Have you the figures here?—Yes; I have made out from that which is perfectly accessible to the Committee, the aggregate amount of the returns made under the Bankers' Act of 1845. This paper represents, in the first column, the date of the bankers' returns; in the next column, the certified or permitted issue of all the banks of issue; in the third column, the notes absolutely in circulation of 5*l.* and upwards; and in the fourth column, the notes under 5*l.*; in the fifth column, the total circulation of all the banks of issue; in the sixth column, the amount of gold held: in the seventh column, the amount of silver held; and in the last column, the total of gold and silver; and it contains the whole of the monthly returns made under the Act; and there is appended to it the average for the whole period, in the first place, and then the average of the years 1846 and 1847, and the average for the first five months of 1846, 1847 and 1848, being the latest date to which it can be brought down. It exhibits a very extraordinary diminution in the issue of the banks of Ireland; the authorized circulation of all the banks of issue in Ireland under the Act of 1845 was 6,354,494*l.*; the price of corn and produce of every kind not only ranged high in 1845 and 1846, but the issue during those years, particularly in the months of November, December, January and February, got considerably in excess of the permitted issue, consequently the banks were called upon to keep an excess of gold at the head offices over the permitted circulation. When we come to the period of the first manifestation of pressure in England, viz. the latter end of December, 1846, the Irish circulation had attained a higher point than it had attained for many years, being 7,839,530*l.*, being in excess of the certified or authorized issue, about 1,500,000*l.*, as near as may be; from that date, the circulation has descended to the present moment, when it stands, on the 20th of May last, at 4,840,672*l.*, being a diminution of no less than about 3,000,000*l.* of issue between the month of January, 1847, and the month of May, 1848, or very nearly three-

sevenths of the entire issue; so that during the pressure of March and April, 1847, and during the pressure of September and October, 1847, the Irish banks all had unemployed issue.

6692. *Mr. Chancellor of the Exchequer.*] In round numbers, might not the banks in Ireland have issued in October to the extent of about 1,000,000*l.* more than they did actually issue?—They might have issued within a fraction of 1,000,000*l.* more than they did issue on their permitted issue and without issuing on their stocks of specie at head offices.

[*The Witness delivered in the Paper, which is as follows:*]

ABSTRACT of the RETURNS by the several Banks of Issue in Ireland, under the Provisions of the Act 8 and 9 Vict. c. 37, from 3rd January, 1846, to 20th May, 1848.

For the Four Weeks ended	Notes of £5 and upwards.	Notes under £5.	Total Issue of all the Banks.	Gold held.	Silver held.	Total Specie held by all the Banks.
Certified Issue of all the Banks—£6,354,404.						
3 January, 1846	3,039,855	4,364,509	7,404,366	2,231,944	267,308	2,499,254
31 January, —	3,053,166	4,358,583	7,411,751	2,232,887	299,145	2,531,032
28 February, —	3,066,820	4,403,198	7,469,729	2,262,714	304,582	2,567,296
28 March, —	3,071,689	4,373,371	7,444,960	2,246,022	322,131	2,568,153
23 April, —	3,170,291	4,366,031	7,536,323	2,264,748	321,961	2,586,709
23 May, —	3,223,469	4,198,610	7,422,080	2,177,033	321,310	2,498,343
20 June, —	3,073,053	3,899,073	6,972,026	2,063,018	332,981	2,415,999
18 July, —	3,003,914	3,682,577	6,686,491	1,908,216	358,567	2,266,783
15 August, —	2,959,671	3,520,844	6,480,517	1,887,457	376,335	2,263,792
12 September, —	3,013,054	3,575,118	6,588,173	1,832,938	349,980	2,182,918
10 October, —	3,183,979	4,067,875	7,251,855	1,891,453	345,812	2,236,265
7 November, —	3,335,209	4,501,616	7,836,825	2,131,587	353,447	2,485,034
5 December, —	3,273,326	4,566,204	7,839,530	2,253,124	316,467	2,569,591
2 January, 1847	3,151,117	4,364,295	7,515,414	2,264,266	343,740	2,608,006
30 January, —	3,161,701	4,097,734	7,259,436	1,999,140	384,091	2,383,231
27 February, —	3,158,358	3,871,694	7,030,053	1,795,792	383,389	2,179,181
27 March, —	3,123,516	3,581,318	6,704,736	1,710,405	403,693	2,114,100
24 April, —	3,163,465	3,357,768	6,521,234	1,547,330	445,010	1,992,340
22 May, —	3,086,115	2,932,505	6,018,420	1,162,163	520,506	1,682,669
19 June, —	2,835,813	2,629,436	5,464,951	1,028,579	520,209	1,548,788
17 July, —	2,740,914	2,516,464	5,257,378	993,810	563,534	1,557,344
14 August, —	2,670,376	2,426,869	5,097,245	969,590	597,627	1,567,217
11 September, —	2,581,063	2,467,246	5,048,310	966,818	553,399	1,520,217
9 October, —	2,636,092	2,716,920	5,353,013	1,006,066	511,643	1,517,709
6 November, —	2,714,939	2,804,374	5,519,314	1,045,805	490,718	1,536,523
4 December, —	2,597,237	2,725,502	5,322,741	1,087,074	503,692	1,590,766
1 January, 1848	2,502,756	2,693,357	5,196,116	1,119,955	503,980	1,613,935
29 January, —	2,528,633	2,705,281	5,233,916	1,132,937	531,806	1,664,743
26 February, —	2,510,595	2,709,483	5,220,080	1,144,032	562,846	1,706,878
23 March, —	2,505,565	2,661,829	5,167,395	1,095,722	584,711	1,680,433
22 April, —	2,540,489	2,466,542	5,007,033	1,071,297	551,508	1,622,805
20 May, —	2,561,459	2,279,211	4,840,672	1,087,162	501,318	1,588,480
	93,235,610	109,829,727	203,065,375	51,556,884	13,740,306	65,297,190

Averages of the preceding RETURNS.

	Notes of £5 & upwards.	Notes under £5.	Total.	Gold.	Silver.	Total Specie.
Average for whole period	2,913,612	3,432,178	6,345,791	1,611,152	429,384	2,040,536
Ditto for the year 1846	3,121,259	4,144,461	7,265,721	2,166,094	334,258	2,499,352
Ditto for the year 1847	2,844,049	2,986,375	5,830,425	1,263,517	491,933	1,755,450
Ditto for the first five months of 1846	3,116,809	4,339,958	7,456,768	2,224,800	313,605	2,538,405
Ditto for the first five months of 1847	3,138,631	3,566,141	6,704,773	1,643,066	27,327	2,070,393
Ditto for the first five months of 1848	2,529,348	2,552,669	5,082,019	1,106,220	246,449	1,352,669

6693. *Chairman.*] There was no difficulty in the circulation of Ireland in October, 1847?—I should say none whatever.

6694. You have stated that there was a large diminution in the circulation, amounting to nearly £3,000,000, between January, 1847, and May, 1848; will you have the goodness to state to what you attribute that great diminution in the circulation?—The greater portion of the produce of Ireland is provisions, and there was, comparatively speaking, none to sell; that which produced circulation in Ireland had almost ceased to exist for such a purpose; the provisions grown in the country during the year 1846 and during the last year were altogether wanted for the sustentation of the people of the country; they were not to be exported; the people consumed the whole, and they had nothing to sell; they could not both eat and sell it; therefore, that which had produced circulation before had disappeared, and could not be brought to market; pigs had disappeared, which were a large means of producing circulation; poultry had disappeared, which was also a means of producing circulation; and to take another article, namely eggs, of which large quantities were exported to England, they could not be produced, because the poultry could not be fed, and did not exist.

6695. *Sir Robert Peel.*] So that you had concurrently higher prices and a diminished circulation?—Yes.

Effect of the Government expenditure on the currency.

6696. *Chairman.*] Was not the circulation replaced in that period by gold or silver?—The circulation during the year 1846 and a part of 1847 was replaced by the large government expenditure; and so long as that continued, the expenditure of nearly £8,000,000, in supporting from day by day by labour considerably above 600,000 at one time of human beings by public works, produced a circulation during a large portion of 1846, and the early part of 1847, but that did not exist in the present year; the country was left to its own resources; there was no such cause of issue, and consequently the circulation of the country diminished, because there was no produce to support it, and no public expenditure. The state of things in 1846 and 1847, and 1847 and 1848, were very different.

6607. Have you any return to show that the silver in circulation in Ireland had diminished also?—The silver in the hands of the lower orders, and generally of the community, diminished, because I find upon the 3rd of January, 1846, the whole amount of the silver in the hands of the banks was £267,308, and if I take it at the same period in 1848, namely, the 1st of January, 1848, there was £505,800 of silver in the hands of the banks. There were considerable importations of silver into Ireland for the purpose of supplying the relief works; but when those works ceased, the quantity of silver held by the banks became so inconvenient, that the banks had not office room for it, and we were obliged, in different ways, to get a portion of it sent back to England, which we did; we got from £120,000 to £140,000 sent back to England, and that was sent back to England at our own expense; that took away nearly all the excess of silver which was brought for the relief works, consequently it left the same amount of silver in Ireland that was in it prior to the importation of silver for that purpose; and I conceive (and I think I am right) that the difference between the £267,308 of silver in the custody of all the banks in Ireland on the 3rd of January, 1846, and the £505,800 in the custody of the banks of Ireland on the 1st January, 1848, was so much more, in addition to the diminution of the circulation of paper money, abstracted out of the hands of the lower orders, with whom silver circulates to a large extent; in consequence of the severe and continued pressure upon them, it was wrung out of their little hoards and keeping places, and placed in the hands of the banks.

6698. During the whole of the difficulties of 1847, you felt no want of notes at all, or of any species of circulation?—None.

6744. *Mr. Thomas Baring.*] Do you suppose that there would have been any difference in the monetary condition of Ireland if there had not been a Government expenditure in the years 1846 and 1847?—There would have been a material difference but for the Government expenditure in 1846 and 1847. The issue of the banks in Ireland was kept up in 1846 almost entirely by the Government expenditure; there was less produce, the growth of Ireland, to sell in 1846 than in 1847, but yet the issue kept up, both of bank notes and of silver in the hands of the lower orders, and in 1847 it was very much diminished in amount by reason of the discontinuance of that expenditure, and the country was thrown upon its own resources.

6745. Without that expenditure would there have been more suffering and pressure during what we call here the crisis of 1847?—The country must have been more embarrassed unquestionably, but for that expenditure of 1846, which extended some way into 1847.

6756. *Mr. Labouchere.*] You have stated that at the period of suffering arising from the famine in Ireland, the expenditure of so much public money was a great means of relief, independent of that which was afforded by the food and the employment of people in Ireland?—There is no question of it; whether it was the best mode of expenditure, and whether the money was judiciously laid out or not, is another question; but the thing was absolutely necessary, and it was useful.

6757. With regard to the class of shopkeepers in many parts of Ireland, were they rather better off at that time than usual?—They were not worse off; there was a greater quantity of tea and sugar consumed during the winter months of 1846 and 1847 than was ever consumed in Ireland before during those winter months; these articles largely countervailed the ordinary supplies of food.

6758. In fact there was a much larger amount of money circulating in Ireland than there is generally?—Yes, there was, in the shape of wages and relief; I do not think there was more of comfort.

Increase of the Deposits in Savings' Banks in 1846.

6699. *Mr. Chancellor of the Exchequer.*] Are you aware that at that time the deposits in the savings' banks in Ireland increased very considerably?—Yes, they did, particularly in the autumn and winter of 1846.

6700. That was at the time when a large expenditure of money was going on in the payment of wages for the relief works?—Yes, and also by reason of the high prices obtained for that portion of the crop which was brought to market; the people sold their crop, and took the chance of providing for their subsistence afterwards for that year; the high prices induced them to send their produce to market.

6701. Are you at all aware whether larger sums than usual were, about that time, remitted to England from Ireland, for the purpose of investment?—I am aware that very large sums were invested in the public funds in Ireland, which is the same thing, and that produced large remittances from Ireland, for the purpose of purchasing stock in England, because the Irish market would not afford the means of doing it; by reason of the purchase in England, money was transferred from Ireland to England to effect such purchases.

Effect of the Government Letter of October, 1847.

6702. *Chairman.*] What was the effect in Ireland of the issue of the letter of the government in October?—The effect was not great in Ireland,

except that it raised the rate of interest, and it limited transactions probably to some extent; it had not any serious effect; it restored confidence.

6703. Was it of any immediate effect in restoring confidence?—I do not think with parties in credits it did so, because they had never felt any great pressure, but it gave confidence to the public as a whole; it was one of those acts that seemed to be necessary to satisfy the mind of the commercial public.

6704. Do you think that the issue of that letter was necessary?—We thought it necessary in order to restore confidence in commercial matters on this side of the channel.

6766. Mr. Spooner.] You stated, that in 1847 “there was a great deal of unhappiness and uneasiness;” what occasioned that?—The extensive failures that had taken place, and the apprehension that others might follow in England and Ireland.

6767. Was there any apprehension about the state in which the returns showed the Bank of England to be?—There was a good deal of uneasiness about the Bank of England; people could not see their way.

6768. What did you anticipate?—We anticipated the interference of Government precisely as they did interfere.

6769. That interference arose from the absolute necessity of Government interfering?—What appeared to us to be an absolute necessity.

6770. What do you suppose would have been the effect if the Government had not issued the letter?—It is not easy to see; the state of matters in October was entirely different from the state of matters in April; the pressure in April arose from the out-pouring of gold, arising from the whole of the foreign exchanges running against us at the moment; and I believe but for the Act of 1844 matters would have been worse in April; it required all the stringency of that Act to keep matters right in April; the pressure in October was a pressure arising from a totally different cause; it arose out of the heavy failures that had taken place here, and the destruction of confidence, the foreign exchanges being in our favour; the consequence was, that the remedy for April and for October were two totally different remedies: as far as I am competent to form an opinion, that which would have been injurious to the pressure of April, 1847, and which would have increased the mischief at that time, was a proper remedy for the pressure of October following, which required a restoration of confidence, and something upon which we could fall back in cases of necessity, to relieve a domestic panic, which the pressure in October really was.

Causes of the Commercial Distress.

6705. Will you state to the Committee what you consider to have been the cause of those difficulties in 1847?—Undoubtedly the cause of the difficulties was the short crop of 1846; there is no doubt about that; in the destruction, in fact, of a large portion of the food, not only of the people of Ireland, but of a large number of the inhabitants of Europe, the difficulties had their origin; then there were other causes; the fast abstraction of money for the purpose of railways, was one cause, and that bore very heavily upon Ireland as well as upon England.

6706. Was there much of the capital of Ireland embarked in railways?—A considerable portion of the capital connected with Ireland was embarked in railways, and it produced a good deal of mischief.

6707. Have you found, in the case of the failures which have taken place, that the houses which have failed have speculated in railways?—There have been some cases where the parties had become deeply involved in railways.

6708. Have you known of many cases where failures have arisen from over-speculation?—The over-speculations in railways unquestionably embarrassed parties; and it was one very important item in the production of distress.

6709. You consider that cause to come next to the speculation in corn?—Yes.

6710. You stated that you did not observe any over-speculation in any other branch but railways?—No, except in corn and railways; the trade of the country has diminished since in everything from a want of the power of consumption.

Opinion of the Act of 1844 and 1845.

6711. *Chairman.*] Do you attribute any of the difficulties to the Act of 1845 or the Act of 1844?—I do not.

6712. Do you conceive that either the one Act or the other aggravated your difficulties, supposing they were not the cause of them?—I do not think they did; I do not think as regards Ireland there would have been amongst all the banks £50,000 more or less of gold kept if the Act of 1845 had not existed; there may be some part of the machinery of the Act which might be amended; but, on the whole, I think it was a wise and good measure.

6713. Do you conceive that either the one Act or the other limited your power of giving accommodation to the public during those difficulties?—I do not; the public were accommodated to a large extent during the autumn of 1846 and the commencement of 1847, arising out of what I stated in the earlier period of my evidence, namely, the difficulty as to the quantity of food which would be requisite for support of the people, and therefore there was, consistent with the credit of parties, greater facility afforded in obtaining money than had previously existed; and I think both Acts, so far as the working of them has come under my observation, and particularly the Irish Act, were in principle prospectively necessary for the protection of the currency.

6714. By the Act of 1844 there was a check put to the formation of any further issuing banks: what is your opinion of that restriction of the Act?—I think it was a wholesome and good restriction.

6715. I need not ask you whether you had much experience and knowledge of the system of banking in Ireland before that Act came into force?—Yes, I had had occasion to observe it.

6716. If it had not been for the operation of the Act, do you think there would have been considerable speculation in Ireland in the formation of new banks?—There was scarcely time to establish new banks; after the failure of the Agricultural Bank, that event operated very strongly upon the public mind; that bank was then being wound up; and sufficient time had not elapsed between that failure and the Act of 1845 to induce speculation in banking; but that does not alter in the slightest degree my opinion of the Banking Act, as far as I am capable of forming an opinion of it.

6717. You are in favour of the restriction?—Unquestionably; there is strong evidence in favour of it in that table which I have put in with regard to the issues. You have, during the operation of the Act of 1845, viz., in December, 1846, the whole of the issues of the banks in Ireland were in excess by £1,500,000 of their permitted issue, and you have their issues during a time of emergency, within little more than one year, three-sevenths below the maximum issue of December, 1846, or close upon £2,000,000 below their permitted issue. It has been flexible; it has yielded to circumstances which required an excess of issue, and now the issue has been diminished in a very extraordinary degree to £2,500,000 below the permitted issue, which it is at this moment. I do not think I can give a better practical example of the working of the Act than that; it has been tested on both extremes of excess and diminution of issue.

Approves of the Weekly Publication of the Bank of England Returns.

6718. *Chairman.*] With regard to the weekly publications of the Bank of England, have you found in your transactions, as manager of the Provincial

Bank, that they are of service to you?—I think they are of great service; they get into all the newspapers, and the public read them.

6719. Do you think that they are a benefit, on the whole, to the public?—I think they are of use to the public and of use to the banks.

6720. You would not wish any alteration in that respect?—Certainly not.

Amendments suggested in the Act of 1844 and 1845.

6721. *Chairman.*] You stated to the Committee, that you thought that the Act of 1845 was capable of some amendments, will you have the goodness to state what those amendments are?—There are four head offices at which stocks of gold may be counted, that is not a sufficient number for the convenience of the banks; it ought to be extended to six. You keep at the four head offices the gold upon which you can issue, but in either an excessive or a limited issue, you must keep gold at all the other branches, and there are some of them of considerable importance, and in districts where there are several smaller ones round them, and if the number of head offices were increased to six, it would be a convenience in the working of the Act.

6722. *Mr. Chancellor of the Exchequer.*] Where are your four head offices now?—Dublin is one, Cork another, Limerick another, and Belfast the fourth. Now Waterford and Sligo, we should, I think, have permission to make two other head offices; where a bank is a bank of issue all over Ireland, there should be six head offices in place of four.

6723. *Chairman.*] Would you say that there should be six in the place of four, or that there should be power given to the Government in the Act to alter the number if necessary?—For all purposes of convenience, if there were six offices, it would answer the purpose; or power might be given to the Government to alter the number if deemed right.

6724. Is there any other amendment which you think necessary in the Act of 1845?—There is much risk and trouble arising from the notes being made payable at each place of issue; but I am afraid that I should not succeed with the Committee in pressing for an alteration of that. There is great delay and risk in returning the notes from 40 different places to each place of issue; we pay the notes at every branch, practically, but we are obliged to return those notes to their place of issue; it is the risk, more than anything else, that I object to. A note, issued in Cork, supposing it is presented at our branch in Galway, we cannot refuse to pay; but then we are obliged to send it back to Cork before it can be re-issued.

6725. *Mr. Chancellor of the Exchequer.*] Is it not the case with all the Scotch banks, that they make their notes payable at all their various branches?—No; they make their notes payable at one place, in Edinburgh; they are not payable at each place of issue.

6726. Are they not, practically, payable at the branches?—No; you could make no legal demand for payment of a note, except at the head office of a Scotch bank.

6727. If I were to present a note at one of the distant branches, what would be the course taken?—They might refer you to the head office in Edinburgh, if needful. I do not say they would do so.

6728.—*Chairman.* Would you propose any amendment in the Act of 1844?—Yes; I would suggest an amendment in it. There was experience of the necessity for the Treasury Letter of the 25th of October; such another period may come up; a question arises, and a very serious question, whether the persons who fill the important offices of First Lord of the Treasury and Chancellor of the Exchequer should not be empowered by legislative enactment to relax the provisions of the Act, instead of incurring the responsibility which was incurred by those two Right honourable gentlemen in October, 1847. A similar case to that may occur again, though we may hope not.

6729. It has been suggested to the Committee, that it would be advisable to give a power to the Government or the Bank, or unitedly to the two, to meet a case of difficulty such as you contemplate?—I think it would be highly necessary, but I would rather place it in the Government; the Government would be the best judges of a necessity for a relaxation of the law.

6730. Would you prefer to leave it entirely to be dealt with as a case of extraordinary emergency, or would you place in the law a power, in cases of difficulty, to relax the restriction?—I think the fewer cases of the kind there can be the better; I would rather leave it to be dealt with as a case of extraordinary emergency, in which the power of relaxation was not too easily to be got at. It is better to prevent an evil than remedy it.

Improved state of Banking in Ireland.

6734. Sir Robert Peel.] Do you think that there is an increased feeling of confidence throughout Ireland in the general conduct of banking business?—I do; it has been strongly manifested during this time of difficulty; we have had nothing like a general panic.

6735. No apprehensions of failures of banks?—None.

6736. Do you think that the mode of conducting the business of banking in Ireland is much better now than it used to be?—Infinitely better; during the months of March, April, and May last, after the event of the 24th of February in Paris, and particularly after the event of the suspension of the payment of the savings' banks there, there was a panic got up connected with the savings' banks in Ireland, but it was of a partial and modified character.

6737. You think the suffering was so severe from the failure of the Agricultural Bank, that for a certain time that operated as a warning and a discouragement to the establishment of new banks of issue in Ireland; but was there not a danger, that after a short lapse of time, when the memory of that suffering became weaker, new banks of issue on insecure foundations would be again established?—I have no doubt they would.

6738. Do you not think it is desirable, though there was no immediate danger of the establishment of new banks, in consequence of the recent severity of suffering arising from the failure of the Agricultural Bank, to take precautions by law that there should be no temptations for the establishment of such banks?—Most unquestionably.

6739. You have had very extensive experience of what have been the evils in Ireland arising from improvident banking?—Yes, a good deal of experience from personal observation and from reading; the evils of improvident banking in Ireland have been very extensive in former days, and bore severely on the lower orders.

6740. Are you old enough to recollect the failure of the banks in the west of Ireland?—I am old enough to recollect the failures in question, but did not, as you did, personally witness the lamentable distress occasioned by those failures; but I have heard, from persons well qualified to form an opinion, of the injurious results those disasters had on a large portion of Ireland for many years after they happened, and the ruinous consequences they inflicted on an industrious but poor population.

6741. Have the restrictions of the Act of 1845 during the very severe commercial crisis of the last year prevented you from giving any accommodation to trade which could be fairly demanded of you?—Certainly not.

6742. And in the accommodation you have given, have you not had increased confidence on account of the restrictions imposed on other banks?—Unquestionably.

6743. You felt more easy in giving accommodation than you would have done if there had been no such restrictions?—Yes; those restrictions were

very salutary, in my opinion, so far as my experience enables me to form a judgment of them.

The Provincial Bank does not re-discount Bills.

6746. *Mr. Thomas Baring.*] Is your bank in the habit of re-discounting in London?—We never re-discount bills; we never part with a bill till it is paid.

6747. Then neither in April 1847 nor in October 1847 did you rely upon the re-discounting in London?—We did not; we had a large unemployed circulation in Ireland during both of those periods, and in point of fact the circulation of the banks of issue in Ireland being under the permitted legal issue, we might have shipped off all the gold we had to England, and employed it here at that time, except that prudence taught us to keep it in Ireland in order to pay our own obligations there, and which we were bound to pay. While the Bank of England was pressed by reason of its not having a sufficient amount of issue (comparing small things with great), we had a large unemployed issue in Ireland.

6748. When you stated the rate of interest, did you mean that that was the minimum rate at the particular periods that you mentioned?—That was the minimum rate; after the 25th of October 8 per cent. was the minimum rate, but there was a higher rate charged upon particular transactions, even at that extreme rate.

6749. In October you raised the rate, upon the Government letter being issued?—Yes.

6750. Neither in April 1847, nor in October 1847, did your operations depend upon your power of obtaining facilities in London?—No.

Character of the Corn Bills in 1847.

6751. *Mr. Thorneley.*] With respect to the imports of corn from foreign countries, on account of houses in Ireland, were the corn, flour, and meal so imported into Ireland alone, or did the Irish houses import into England as well as into Ireland?—A great deal of corn was imported first into Ireland, but I believe this took place to a large extent on joint account; an Irish house, through an English establishment, ordered corn, whether from the Mediterranean or from the United States; the English house accepted bills upon the Irish account; and the corn, in many instances, in the fall of the year, came here to England: so that not a little of it reached England, though on Irish account.

6752. Then the imports of corn by the Irish houses were not for the consumption of Ireland only?—They were intended, I believe, for the consumption of Ireland; but from excess of speculation, before that corn arrived, in a great many cases, to Irish houses, the value had gone down considerably, and the shippers of the corn followed it, and put their hands upon it; in some instances such was the extravagant length to which the importation was carried, that the corn, when it reached Ireland, was not worth the freight which was paid for it, and the captain claimed the whole; the English houses were gone, and so were the Irish.

6753. Were the foreign bills of exchange upon foreign countries drawn upon the Irish houses direct, or were they drawn on Irish account upon the houses in England?—Chiefly upon houses in England, and that led to the corn in many instances coming to England; supposing I had been an English party accepting a bill, and that I could intercept the bills of lading and bring the corn to England for my protection, I would do so if the Irish party failed.

6754. As a banker you were not aware of the extent of those engagements of houses in Ireland?—I was not aware that there was so vast an extent of cross transactions; in other words, there were transactions on joint account; the English and Irish houses were mixed up to an enormous extent, but we

did not see the full bearing of it till the English houses became insolvent, and then it was disclosed to us when too late.

6755. You do not appear to have had any panic in Ireland at the time the panic prevailed in this country?—There was not the same description of panic; but there was a great deal of unhappiness and uneasiness.

Decrease of Discounts in 1847.

6759. Mr. Baring.] You have mentioned that throughout the year the usual accommodation had been afforded to parties on credit; but had there been any great variation in the credit of parties who applied to you for accommodation?—There had been a great many failures prior to October, 1847.

6760. What was the amount that you employed in discounts in October 1847, in comparison with other periods?—I should think the amount of accommodation afforded by discounts in Ireland had been gradually undergoing diminution from the month of December, 1846, to the month of December, 1847, because the trade of the country did not admit of it being otherwise; bills disappeared; they were not offered to you; there was not any internal trade, and there was not the same amount of money passing from hand to hand; the means of issue did not exist on business transactions of a legitimate character.

6761. Did the diminution in the amount of money employed in discounts arise from a diminution of the demand for it, or a diminution of the credit of individuals?—Both causes operated; where parties failed, your business was merely to wind up their accounts as soon as you could; and there was also a want of commodities upon which to advance money; there were not the commodities to buy and sell in Ireland, which gave illegitimate rise to commercial transactions, and consequently there was a great decrease of commercial bills from the commencement of the year 1847 to the present date; that has existed and still continues.

6762. Did you refuse more bills than usual during that period for want of credit?—Yes.

6763.—Mr. Thorneley.] Did you observe bills sent over from England or Scotland to Ireland, to be discounted there during 1847?—We saw bills of that kind in the year 1847; some were Scotch; there were some large bills which made their appearance, that were evidently drawn on account of a Scotch bank.

6764. You appear to have raised the rate of discount at your bank to 8 per cent. immediately upon the publication of the Government letter?—Instantly.

6765. Perhaps without that Government letter you would not have thought it necessary to raise the rate of discount so high as you did?—I do not think we should, but we were bound to do so in self protection, and to aid the measures here, which I conceive it was our duty to follow up, and which I believe to have been necessary.

Difficulty of realizing Securities during the Crisis.

6771. Mr. Spooner.] It has been stated in evidence before the Committee by the Governor and Deputy-governor of the Bank of England, that at the time of the issue of the Government letter they did not apprehend any danger so far they were concerned, and that it would have been in their power to sell their securities, so as to enable them to meet all demands made upon them; from your knowledge of business generally, can you state whether they would have been able to sell securities to any amount in the London market?—It would have been very difficult for them to sell any great amount of securities at that time, so as to relieve themselves.

6772. Do you think that they could have got any notes in by selling securities?—No; every banker was at the moment increasing his stock or reserve of bank notes or gold coin, and it would have been difficult, if not impossible, to have got in notes.

6773. If they had sold securities, do you not conceive that a large proportion of the sums drawn out to buy those securities would have been drawn out of the Bank of England?—A good deal would have been drawn out of the deposits of the Bank of England, and from bankers, who would have recruited their stocks by sales of securities also.

6774. And just in that proportion they would have failed in getting in their notes by the sale of securities?—They would so have failed, because I believe it did not depend upon their own acts. It is perhaps presumption for me to say so, and it may seem presumption to say the Bank of England might not have succeeded; but, under the extreme panic that prevailed, I very much doubt that they would have succeeded. The measure adopted by the Government was infinitely the safer and easier of the two, and, with all respect, in such a fearful emergency, accomplished the object to be attained without any sacrifice of principle; the result justified the act.

6775. In case of anything of this kind happening again, you think there should be a power in some one to relax the restriction without throwing the responsibility upon the Government of the day?—I think so.

6776. So far as that, you advise the alteration of the Act of 1844?—I do.

IN RE CHARLES MARSH ADAMS, OF SHREWSBURY, BANKER, A BANKRUPT.—REFUSAL OF CERTIFICATE.

Birmingham Bankruptcy Court, 29th August, 1848. Before Mr. Commissioner Daniell.—This morning his Honour delivered judgment in this case. He said the bankrupt was opposed by the assignees and others, upon various grounds, the principal of which was for reckless expenditure, from the year 1840 until his bankruptcy. It appeared that in the year 1835, and previous to that time, he lived at Brighton, where he invested about £10,000 in building, and received from that outlay about £1,400 or £1,500 a year to live upon, besides £250 a year which Mrs. Adams had for her separate use. In the year 1835 he received a communication from the firm of Beck & Co., bankers of Shrewsbury, proposing to take him into partnership in the room of Mr. Beck, who was retiring from the concern. The bankrupt went into partnership in the bank, and, in order to enable him to do so, he raised £5,000 upon mortgage of his property at Brighton. He did not think any blame attached to the bankrupt for having engaged in the undertaking with only £5,000, because he brought into the concern what was deemed sufficient, and Mr. Beck's capital was only £2,500.

It happened, unfortunately, that very soon after Mr. Adams went into the bank, Mr. John Eaton committed suicide; that was in the month of September, 1835, and soon after, the elder Mr. Eaton having become incompetent to attend to business, retired from it, and from that time the bank was carried on by Mr. Beck and Mr. Adams in co-partnership together till June, 1840, when Mr. Beck also retired, and the partnership between Adams and Warren commenced. It is right to mention here, that although Mr. Warren's name appears in the firm as a partner, he was not so in any other way. He was, in fact, a mere clerk or superintendent, at a salary. It appears that during the

co-partnership between Mr. Beck and Mr. Adams, the affairs of the bank were very prosperous, and Mr. Adams states that during that period his share of the profits, which was two-thirds, amounted to about £3,000 per annum.

When Mr. Beck retired there was £10,000 or £11,000 due to him, and that proved the bank had been a profitable concern. When the change took place in the proprietorship it appeared that a change also took place in the profits of the house. Mr. Adams at first might not have calculated upon such a falling off as afterwards took place, and had he, in trying the experiment for a short time, continued his ordinary expenses, no great blame could be attached to him. But what was the main fact against him? why, that he continued, for seven years, living at an extravagant rate, during which time he must have known that the bank was not yielding sufficient to justify his expenditure; indeed it was very doubtful whether, from the year 1840 to the bankruptcy, the bank made any profit at all. Looking at the joint balance sheet, I find that the time at which the joint estate is debited as profits from the 1st June, 1840, to November, 1847—seven and a half years—does not amount to more than £8,785—somewhere about £1,200 per annum; so that even on the supposition that that sum fairly represented the profits of the bank during the period of its being in the hands of Mr. Adams, there was a diminution of income from that source of about £1,800 per annum. But this sum does not fairly represent the profits of the bank during the period I have mentioned; for I find, on the other side of the account, the joint estate is credited with losses to the amount of £14,369, of which £12,572 arises from bad debts. It is not stated, and I have not been able to ascertain, how much of these bad debts became due before the dissolution of the partnership with Mr. Beck. I observe that some of them are dated before that event, from which I infer that more may have been in that predicament; but I think it cannot be supposed that more than one-third of them may have been due to the old concern; in which case I am not assuming too much, when I say that I consider it extremely doubtful whether, from the year 1840, the banking business has yielded any profit at all. Indeed I am very much understating the case, for it scarcely admits of a doubt, that during the whole of that period the bank has been a losing concern; but assuming that the losses have been covered by the profits, what is the result? why that in seven years and a half Mr. Adams has drawn £19,200—£2,500 a year—out of the pockets of the customers of the bank towards the support of his own private expenditure.

He appears to have been very regular in his attendance at the bank at Shrewsbury, and he must have possessed ample means to make himself from time to time sufficiently acquainted with the state of the bank; and it is difficult to believe that he was not very soon made aware of the great falling off which had taken place in the business—indeed, in his examination he admits that it was so. He says, “I knew that the business decreased after Mr. Peter Beck and Mr. Scarth started as bankers (the fact was, I suppose, that they took away with them many of the accounts.)” The consequence of this, however, was that he diminished his expenses to a slight extent by reducing the number of his hunters; but surely this degree of knowledge ought to have suggested to him the propriety of making a fuller investigation into his affairs than he appears to have made, in order to see whether the dismissal of one or two hunters was a sufficient reduction of his establishment to meet the diminution of his income occasioned by the falling off of his business; but did he do that? No. Although, as he told us, he attended every day at the bank, he never made out any statement of his affairs whatever. Now this is very singular, and raises a very strong impression that he did not wish to know what the true state of his affairs was.

During the continuance of the partnership with Mr. Beck the accounts of the bank were made out half-yearly, but after that time this good prac-

tice was discontinued, and no accounts were ever balanced. In the years immediately following Mr. Beck's retirement it was particularly important that he should know the situation of his affairs, and he was pointedly asked whether in those years he made any statement of accounts. His answer was, "In 1841 and 1842 I did not make out any statement of my affairs." So that the case stands thus: Mr. Adams, between the years 1835 and 1840, was in the receipt of a good income arising from his share of the Shrewsbury bank; his expenditure, however, during those years was fully equal to his receipts. In 1840 a change takes place in the partnership, one of the partners goes out of the firm, and the bank is taken to solely by Mr. Adams, (for although Mr. Warren's name appears in the firm, yet he was only nominally a partner.) Simultaneously with this another bank is set up in the same town, by the connections of the retiring partner, who himself set up another bank in the same district; the effect of which is that many of the accounts kept at the Shrewsbury bank are transferred to the new banks, and the business consequently falls off, and Mr. Adams still continues to support the same establishment, or nearly so; for I cannot consider that the mere gradual reduction of a few hunters can be considered as any serious diminution of his expenditure; and yet Mr. Adams does not think proper—although he is, as he states, at the bank every day, and has, of course, full access to all the books—he does not think proper to make himself acquainted with the position in which he stands. The only question is, whether at the time he dissolved partnership with Mr. Beck he was aware of it. In his examination before me, Mr. Adams asserts that he was ignorant of his insolvency at that time, and that he was first made acquainted with it from inspection of the papers in court. It may have been so, but I am very much inclined to the opinion that his ignorance on this subject was designed, and that if he did not know that he was actually insolvent, he had very strong reasons to believe that his finances were in a very doubtful position. I cannot account upon any other ground for the transaction respecting the £10,900. It appears that after the dissolution of the partnership between the bankrupt and Mr. Beck had been determined upon, and whilst the negotiations respecting it were pending, this sum was intended to be paid by the assignees of a person named Smallwood into the bank of Messrs. Beck and Adams, but somehow or other Mr. Adams contrived that instead of its being paid in to the first account, it was paid in to Messrs. Masterman and Co., to the private account of Mr. Adams. How this arrangement was effected does not very distinctly appear, and it still remains a mystery which I have been unable to solve. This, however, does very distinctly appear, namely, that it was effected by Mr. Adams's own directions on the 23rd April, 1840, and that although Mr. Adams had, as he admits, no interest whatever in the money, it was paid to his private account, for the purpose of giving an apparent increase to his capital, in order to make him appear as well as possible in the bank.

Now, it is to be recollected that this took place pending the negotiation for the dissolution of the partnership between Mr. Beck and Mr. Adams, when the effect of which was that Mr. Beck was to transfer all the property of the bank, to the amount of about £87,000, to Mr. Adams, leaving himself exposed to considerable liabilities to the customers of the bank and the holders of their notes. It was right, therefore, that something should be done by way of indemnifying Mr. Beck against those liabilities: accordingly we find that it formed part of the arrangement that Mr. Adams and his father should execute a bond of indemnity to Mr. Beck in the penal sum of £20,000. But before taking such a security, it was not unlikely that Mr. Beck would require to be satisfied as to Mr. Adams's responsibility in case the bond became forfeited. No course of satisfying such an enquiry could, therefore, be so satisfactory as that of showing a large balance standing to his private account

at the bankers of the firm. There can be no doubt, in my opinion, that this sum of £10,900 was procured for the purpose of satisfying any enquiry Mr. Beck might think it right to institute as to Mr. Adams's position—at least that is the only inference I can draw as to the motive for this transaction: and that I am correct in this inference is obvious from Mr. Adams's examination—at all events he assists me to no other. Now I ask, is it probable that a man in Mr. Adams's situation would have resorted to so disreputable a proceeding for the purpose of bolstering up his credit, if he had not felt satisfied that his affairs were in such a position that they would not bear investigation? Of course, I do not mean to impute for a moment to Mr. Adams any intention of appropriating the £10,900 to his own use; that I am satisfied never was his intention, nor was it done, (the money was, in fact, afterwards transferred to the banking account, and drawn out by the parties entitled to it in due course); but what I do impute to Mr. Adams is a very disreputable course of proceeding, of diverting money intended to be paid into the bank to his own private account, for the purpose, as he admits, of making his balance appear larger—of making a fictitious balance—and thereby to keep up his credit with the bank and the public generally, and more particularly with Mr. Beck, who was retiring from the bank. I do not think that I am speaking too strongly when I designate this as a very disreputable proceeding; and Mr. Adams has himself to thank for it if it has induced in my mind a conviction, that if he did not at that time know that he was in a state of insolvency, he had very strong reason to suspect that such was the case, and that his pecuniary situation was such that it would not bear investigation. If this was so, it was surely more than ordinarily important that Mr. Adams should take care that his expenditure should be kept strictly within his income. Although he might for a short time have continued his expenditure at his former rate till he had ascertained whether the bank would be as prosperous as it had been before, without being open to much censure, it was doubly incumbent upon him to keep a watch upon his business, and to take the earliest possible opportunity to ascertain how it was going. But he took no steps whatever for that purpose; no half-yearly account was made out, as had formerly been the practice; and still the same expenditure went on, although he admits that he did see reason to effect some reduction in his expenses, which, however, was confined to the gradual discontinuance of a few hunters. And what has been the consequence? It is that, at the end of seven years and a half, although he was, as now appears, most indubitably in the receipt of no income whatever—for the profits of the bank as well as his private income were, as we have seen, exceeded by his losses—he is found to have spent in his private expenses no less a sum than £24,000 19s. 7d., exclusive of a sum of £7,598, paid to his father and sister, amounting altogether to £31,598, being at the rate of about £4,000 per annum. Of this large sum, £19,000—£2,500 per annum—and upwards, was drawn out of the bank, and must have consisted entirely of moneys deposited in the bank for safe keeping. The rest must have been drawn from the resources of other individuals, amongst whom, must, I fear, be reckoned his sister, Miss Mary Adams, and Mrs. Turner, the former of whom is a creditor to the amount of £6,000 and upwards, in respect of trust money sold out and paid into Mr. Adam's bank very shortly before the date of the fiat.

I should mention here, that with respect to this sum, a charge has been made against Mr. Adams of having committed a breach of trust in selling out the stock upon which this sum had been invested. It does not appear to me, however, that what may be technically called a breach of trust has been committed, since it appears that the stock was sold out in order that the proceeds might be invested in another security, the negotiation for which went off, the money remaining uninvested. I cannot, however, excuse Mr. Adams from the

charge of great want of caution, if not of cruelty, to his sister in this transaction. It was impossible he could be ignorant, at the time this stock was sold out, of the deplorable state in which his affairs were, and was most culpable, under such circumstances, in allowing the money to be paid to his own account. It was not a transaction in the ordinary course of his business as a banker, and he might, as a trustee, have easily prevented its being so paid. It has been said that the assignees are not entitled to make this a ground of complaint against Mr. Adams, as the other creditors will benefit *pro tanto* by the sum paid in. This is a doctrine, however, I cannot subscribe to. The assignees represent the whole of the creditors, and they have a right to allege the misconduct of the bankrupt to any creditor as a ground for opposing a bankrupt's certificate, although the effect of such misconduct may have been to benefit the other creditors of the estate.

I have now, I believe, stated fully the circumstances of the case upon which I am called upon to decide, and I own that it is a case which has given me more pain than any that has yet come before me in my judicial capacity; but, painful as it is, I confess that I see very little room for doubt as to the course which my duty points out. That there has been great and reckless extravagance on the part of Mr. Adams is obvious from what I have already stated; indeed, it has not been denied. All that the learned and ingenious counsel who appeared for Mr. Adams has asked for is, that I should not mark his client with the severest sentence which the law enables me to inflict, and I wish much that I could feel myself at liberty to comply with his request; but this appears to me to be a case in which I am imperatively bound to mark Mr. Adams's conduct as a trader with the severest mark of censure this court can inflict. It is not the case of a man suffering from losses in the usual course of business, nor is it the case of a man brought to ruin through imprudent speculation, but it is the case of unwarrantable extravagance; it is that of a man going on, year after year, incurring a private expenditure of from £3,000 to £4,000 a year, entirely out of the pockets of other people—those people, too, being for the most part persons who had entrusted their money to his care as their banker. I am not insensible to the force of the argument addressed to me by the learned counsel for the bankrupt, and I feel strongly for the anxiety of a father with a large family to do his best to bring that family forward in the world. Such anxiety should be evinced by a man's doing the utmost in his power to advance the interests of those dependant on him, but his exertions must be confined within the limits of his own means; they must not, as in this case, lead a man to trench upon the means of others: when that is the case, what before was laudable becomes criminal; and however one may feel, as an individual, for the anxieties of a parent under such circumstances, sitting here as a judge in bankruptcy, I am not at liberty to give way to my feelings at the expense of justice. However laudable the motive which prompts a man to struggle for the sake of his family, it must not be forgotten that in this case the struggle has been made at the cost of others, and has been continued long after Mr. Adams must have been aware that he had no resources whatever to support it. It is not my wish to aggravate the pain which must be felt by Mr. Adams and those connected with him by any further comment upon his conduct; I have stated sufficient to show the grounds upon which I have come to the conclusion to which I have most reluctantly felt myself drawn by the facts which have come before me in the course of this long and painful investigation; and it is not my duty, nor is it my wish, to do more. I have given the case a most anxious consideration, and would willingly have given Mr. Adams the benefit of any doubt which might have suggested itself, or have been suggested to my mind, as to the course which I ought to pursue; but I own that it is a case in which I see my duty too clearly to admit of my doubting that I ought to refuse the certificate.

Communications

To the Editor of the Bankers' Magazine.

BILLS DRAWN PAYABLE AFTER DATE NEED NOT BE PRESENTED FOR ACCEPTANCE.

SIR,—A mercantile house, not residing in London, are constantly being drawn upon by their foreign agent in the way of business. The drafts are in a printed form, and are addressed to Messrs. — of — shire, and underneath the address are the words, “payable in London.”

One of these drafts (at 30 days' date) has recently been returned under protest for nonpayment, of course causing the parties great annoyance. This draft had never been presented to the firm either for *acceptance* or for *payment*. The protest is made by one of the city bankers on the 5th instant, the draft falling due on the following day, but that being Sunday, of course the date is regular.

What I want to know is, whether the holder of such a draft is justified either by law or custom in protesting it, and whether it is not the holder's business, notwithstanding the words “payable in London,” to *procure its presentation at the place of business of the firm in the country* previous to protesting the same?

I may add, that in this case the ability to meet the drafts, *when accepted*, is undeniable: but the object of the parties concerned is to ensure regularity, and avoid the annoyance of occurrences of this kind. They admit it is the first that has occurred for some years.

In the protest the city bankers are made to say that “they had not been furnished with funds to take up the draft,” &c., and therefore they caused this protest to be made, &c., as though the parties drawn upon were to find out by magic where the draft was lying, after passing through some half-score of hands.

A SUBSCRIBER.

[There would be no doubt about this point, if the bill had been presented for acceptance and refused, as the 2 & 3 Will. IV., c. 98, would then clearly apply. By this statute it was enacted that “all bills of exchange wherein the drawer or drawers thereof shall have expressed that such bills of exchange are to be payable in any place other than the place by him or them therein mentioned, to be the residence of the drawee or drawees thereof, and which shall not, on the presentment for acceptance thereof, be accepted, shall or may be, without further presentment to the drawee or drawees, protested for nonpayment in the place in which such bills of exchange shall have been by the drawer or drawers expressed to be payable,” unless such bills shall be paid when they would be payable if accepted. As the bill in question was never presented for acceptance and refused, it is apprehended that this statute would not apply, and the point must therefore be considered without reference to it. Where a bill is payable a certain time after date, the holder is under no obligation to present it for acceptance. The bill in question being payable 30 days after date, need not, therefore, have been presented for acceptance. And the remaining point is, whether it was duly presented for payment. In the case of *Hardy v. Woodroffe*, 2 Starkie's Reports, 319, a promissory note was made payable at Guildford generally, and the holder, not finding the maker there, presented the note at two of the banking-houses in that town, which was held to be sufficient. But where a bill is payable in London generally, it can hardly be usual for the holder to present it for payment at every banking-house there, and probably evidence of custom would be produced to prove that the holders of the bill in question had adopted the usual course. If the drawers wish to avoid the inconvenience which has occurred, they should add the name of the banking-house at which the bill is to be paid, or they should have it accepted before it is passed into circulation.—ED. B. M.]

THE CIRCULATION RETURNS OF THE BANKS OF ISSUE.

SIR.—Since the notice appeared in your last number “that it had been suggested to you to discontinue the weekly returns of the circulation of every bank,” I have been in communication with many of your old subscribers, who all agree that the five pages these returns absorb could not contain matter more valuable to bankers and the public, or more useful for present or future reference; and several of them declare that these returns form one of their chief inducements for subscribing to the Magazine, as in it they appear in a tabular form of much greater value for reference than in the Gazette. Every person fully acquainted with the subject must be aware, that up to 1844, the conductors of the Bank of England, its paid writers and abettors, have attributed nearly every speculating mania, monetary pressure and panic, to the unlimited issues of the country bankers, and that the publication of the circulation of each bank, under the so styled Bank Charter Act of 1844, has not only prevented the repetition, but has clearly proved the fallacy of those accusations, inasmuch as, within the short period of three years after the circulation of the country banks had been limited by law to an amount fully one-third less than it had attained in 1836, the United Kingdom had experienced a speculating mania of greater magnitude than had ever previously existed, as well as, within the short space of eight months in 1847, two monetary pressures, with panic, of the greatest severity on record, causing an immense sacrifice and loss of property, an almost entire disorganization and stagnation of trade, and ruin to many of our fellow-countrymen.

Though I am opposed to all legislative interference with the business or capital of individuals, knowing that the unceasing legislative intermeddling with the business of bankers in England during the last century and a half has been the prime and chief cause of every speculating mania, monetary or commercial pressure and panic, that has occurred, and that it has been the sole cause which has prevented the people of England from establishing the same sound system of banking that has so long existed in Scotland, without any legislative interference, from 1715 to 1844, promoting equally the prosperity of all classes in that country, and of every banker honestly and ably conducting his business, I think the clause requiring the publication by each banker of the amount of his notes in the hands of the public the only one that has not been disastrous to the country, in those insane banking acts of 1844-5; as I am convinced that insane legislative interference would never have been permitted, had not the public been profoundly ignorant alike of the amount and of the effect of the country circulation, which, in the hands of honest and able bankers, as in Scotland, is of inestimable value to any country, and which, when limited by an arbitrary law is bereft of its chief value, either to the public or its issuers. As facts and figures are powerful in destroying prejudice and falsehood, I trust the circulation returns will always appear in your valuable Magazine.

I am, your obedient servant,

A COUNTRY BANKER.

[All the communications we have received in answer to our enquiry last month are to the same effect as the above; and the Weekly Returns of Circulation will therefore be continued in the Magazine as heretofore, without alteration. We are much obliged to our correspondents who have taken the trouble of writing to us on the subject, and quite agree with them in opinion that a monthly publication of the returns is the best mode of giving them.—
ED. B.M.]

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—*Ed. B.M.*]

BIRMINGHAM TOWN AND DISTRICT BANKING COMPANY.

At the Twelfth Annual General Meeting, held on Thursday (10th August) last, the Directors' Report was as follows:—

"The directors of the Birmingham Town and District Bank have, in conformity with their annual duty, called the proprietors together, to lay before them a brief statement of the success which has attended the operations of the bank since this time last year. The greater part of that period has been marked by the severest trial of commercial stability and credit perhaps ever known in this country.

"It is a source of great satisfaction to the directors, notwithstanding the fall of so many firms of high repute, with large and wide-spread engagements, that this bank has suffered so little from the failures of the last twelve months.

"The directors report that they have minutely examined the accounts, as made up to the 30th of June last; and that after paying all expenses of the current year, including the income tax, and writing off a sum sufficient to cover the bad debts of the year, the balance of profit amounts to £9,502 12s. 7d.

"In the report made at the meeting last year, a copy of which was sent to each proprietor, it was proposed and determined upon, that the remaining shares in the bank should be disposed of at £10 per share; the directors also giving a pledge, that those shares which the other proprietors did not apply for by the 1st of October in that year, should be taken up by them on the same terms. The directors have fully carried out their part of the arrangement: there are, however, 140 shares which were applied for not yet taken up. The premium thus obtained from the shares already sold amounts to £5,225.

"The directors now propose, from the premium obtained on the sale of 1,045 shares, that the sum of £4,420 4s. 8d. shall be taken, in order to make up the guarantee fund £40,000; and that the dividend for the present half year, to be paid from the banking profits, shall be at the rate of ten per cent. per annum on the entire number of shares taken up.

"The directors do further recommend, that the remaining balance, arising from shares and banking profits, shall be set apart for the purpose of covering the deficiencies which may arise on realizing any of the securities now held by the bank. These proposals, if agreed to, can be stated as follows:—

The profit on the year ending the 30th June, 1848, is ..	£9,502 12 7
Premium obtained on the sale of 1,045 shares, is ..	5,225 0 0

	£14,727 12 7
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Appropriation—March dividend, paid free of income tax ..	£3,516 15 0
--	-------------

Dividend to be paid 1st September, also free	
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of income tax	3,715 0 0
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To building account	100 0 0
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„ guarantee fund	4,420 4 8
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„ cover securities	2,975 12 11
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	£14,727 12 7
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Guarantee fund—At 30th June, 1847	£34,543	9	4
1 year's interest	1,036	6	0
Now added	4,420	4	8
			£40,000	0	0

"In closing this report, the directors express the hope that this statement of the success of the bank will be satisfactory to the body of shareholders.

"The directors have to lament the death of their much respected deputy chairman, Mr. Josiah Richards, and to state, that the vacancy thus occasioned on the board has been filled up by the appointment of Mr. Thomas Goodman, a director."

After the reading of the report, it was resolved that a dividend at the rate of five shillings per share for the half-year, be declared, payable on or after the 1st September next, free from income tax; that the thanks of the proprietors be presented to the directors, and to Mr. Bassett Smith, the manager, for his great assiduity in conducting the business of the bank during the past year.

SHEFFIELD AND HALLAMSHIRE BANK.

At the Twelfth Annual General Meeting of the shareholders, held on Friday, the 21st July, 1848, the directors presented the following report:—

"The period embraced in this report has been one of almost unparalleled disturbance and pressure in commercial affairs. The failure of two harvests was the primary cause of this pressure, which was aggravated by the immense railway undertakings of the country being urged forward with too great haste. Such times as these increase materially the weight and importance of the duties ordinarily devolving upon the directors. This town and neighbourhood could not be expected to escape the general contraction of trade, which has prevailed for some time, although few places, where business is carried on to the same extent, have suffered less than Sheffield.

"Owing to the circumstances above referred to, the shareholders will, no doubt, anticipate a falling off in the profit of the bank. The directors are happy to say that this is not considerable. It will be perceived that the diminution is only £428 8s. The profit of the year, ending 30th June, 1847, was £11,143 15s. 4d.; and the profit of this year is £10,715 7s. 4d. It is a subject of congratulation that, in such a time of limited business, the decrease is not larger. This shows, in a great degree, the steady character of the business of the bank.

"The profit of the year, after having paid the income tax, and all other expenses of the bank, amounts to £10,715 7s. 4d. This has been appropriated as follows:—£6,267 10s. for payment of the usual dividend of £5 per cent. per annum; £500 in reduction of the bank premises and furniture account; and £2,104 18s. 5d. has been written off for bad debts. The remaining balance, £1,842 18s. 11d., has been transferred to the surplus fund.

"The surplus fund now amounts to £13,516 17s. The paid up capital of the bank is £125,350, which, with the surplus fund, gives an available capital of £138,866 17s. The dividend may be received, clear of income tax, on or after the 28th July instant.

"With the £500 written off this year, the bank premises and furniture account has been diminished by £2,923 5s. 4d. The account is now reduced to £3,000, so that it will only require another £500 to bring the amount to £2,500, at which it will remain.

"In some parts of the past year an extremely high and oppressive rate of interest prevailed in the money market. The directors did not avail themselves of this opportunity to be exacting in their charges. It afforded them great pleasure, in times of difficulty and distress, in being able to render beneficial accommodation to their clients at a moderate rate, and at the same time to provide amply for the stability of the bank.

"The directors, satisfied that it would be a measure tending to the convenience of the shareholders, and approved of by them, have come to the conclusion of paying the subsequent dividends of the bank half-yearly. The deed of settlement authorises them to do so. It is proposed to issue dividend warrants to the shareholders, at the rate of £5 per cent. per annum, at the expiration of the half-year ending 31st December, payable in the month of January.

"No alteration is intended to take place in the holding of the annual meeting, which will be held in July, as heretofore.

"The term of office of Wm. Cockayne, Jun., who was elected in the place of the late Thomas Shepherd, having expired, the directors nominate F. R. Appleby, of Renishaw, for election by the shareholders, as incoming director.

"In concluding this report, the directors wish to express their belief, that there are signs in the commercial horizon which indicate a return to confidence and prosperity, and in which, no doubt, this Company will largely participate.

General Balance of the Sheffield and Hallamshire Bank, 30th June, 1848.

LIABILITIES.					
Paid-up capital	..	..	..	..	£125,350 0 0
Surplus fund	..	..	..	..	13,516 17 0
Due by the bank on current accounts, deposit receipts, (including interest to this day), notes in circulation, and interest on bills in the bank	..	..	..	..	147,942 13 7
Dividend of £5 per cent. on paid-up capital of £125,350	..	..	..	..	6,267 10 0
					<u>£293,077 0 7</u>

ASSETS.					
Cash in the bank, bills discounted, balances owing by customers, and stamps in the bank	..	..	..	..	£290,077 0 7
Bank premises and furniture	..	..	..	..	3,000 0 0
					<u>£293,077 0 7</u>

The report and its recommendations were unanimously adopted: £250 was voted to the directors for their services; and the thanks of the meeting were presented to them and to the manager, *William Waterfall, Esq.*, for their attention to the interests of the bank.

SHROPSHIRE BANKING COMPANY.

At the Twelfth Annual Meeting, held July 18th, 1848, the following Report was presented by the Directors:—

"The Directors have pleasure in reporting to the proprietors that the year just closed has been a prosperous one.

"The net profit of the past year, after deducting all expenses and bad debts, amounts to £10,930 6s. 3d. Of this, £3,000 have been already paid to the proprietors, as a dividend for the half-year ending December 31, 1847,

being at the rate of 5 per cent. for the six months; and your Directors now propose to apportion for the like purpose, a further sum of £4,500, being at the rate of $7\frac{1}{2}$ per cent. for the second half of the year, together $12\frac{1}{2}$ per cent. per annum.

"There will then remain a surplus of £3,430 6s. 3d., which it is proposed to distribute as follows, viz.,—£1,700 to be added to the guarantee fund, and £1,730 6s. 3d. to remain to the credit of profit and loss account, to provide for the income-tax of the present year, and other contingencies.

"To the sum of 1,009 17s. 7d. reserved last year, there has been added a sum of £236 14s. 8d., recovered on a security previously considered bad.

"The total £1,246 12s. 3d. has been apportioned as follows:—

"The payment of the income tax, £231 14s. 6d.; bad debts, £349 3s. 8d.; in reduction of bank buildings, £465 14s. 1d.; guarantee fund, £200; total, £1,246 12s. 3d.

"The guarantee fund, which last year was reported to be £10,000, will, with the interest of 3 per cent. per annum, together with the above additions, now stand at £12,200."

After the reading of the report it was resolved that a dividend of $7\frac{1}{2}$ per cent. for the half year, making twelve and a half per cent. for the year, free from income tax, be paid to the proprietors; and that the sum of £300 per annum be paid to the directors from this time, for their services and expenses, with the thanks of the proprietors for their previous gratuitous services.

BANK OF ENGLAND.

The usual Half-yearly Meeting of Proprietors was held on the 21st September ultimo, for the purpose of considering of a dividend.

THE GOVERNOR said he had to inform them that the Court of Directors, having considered the state of the affairs of the Bank, were of opinion that a dividend might be made of $3\frac{1}{2}$ per cent. interest and profits, for the half-year ending the 10th of October next, without any deduction on account of income-tax. The Court of Directors regretted that they were unable to recommend the same amount of dividend as at the last half-yearly meeting, but looking at the present low rate of interest, the proprietors must have necessarily anticipated this result. He thought it better, before he concluded, to state what was the amount of the rest, and put them in possession of the present state of their affairs. The amount of the rest on the 29th of February, 1848, was £3,942,524, from which was to be deducted $4\frac{1}{2}$ per cent. dividend paid in April, 1848, amounting to £654,881, leaving the amount of the rest, after payment of the dividend, £3,291,643. The amount of the rest on the 31st of August, 1848, was £3,808,544, from which it was now proposed to take a dividend of $3\frac{1}{2}$ per cent., payable in October next, amounting to £509,355, leaving the rest, after the payment of the half-year's dividend, £3,299,189, showing an increase in the amount of the rest, as compared with February, 1848, after payment of the dividend, of £7,546. He had now to propose that a dividend of $3\frac{1}{2}$ per cent. for the current half-year be agreed to.

To this proposal an amendment was moved, that the dividend be the same as for the preceding half-year, and considerable discussion ensued on the subject.

After several other gentlemen had spoken, the Governor put the original motion for $3\frac{1}{2}$ per cent., and the amendment for a dividend of $4\frac{1}{2}$ per cent., and declared the amendment to be carried.

A ballot was then demanded in the usual form by nine proprietors.

M. DE WINTON brought forward the motion of which he had given notice, for a consideration of the bye-laws and general management of the Bank, with

a view to their amendment; but it was ultimately agreed that the resolution should be printed and taken into consideration at the next general court.

Mr. WEEDING gave notice that, at the next general court he should move,—"That a committee be appointed to consider and report on the present state of the bye-laws of this corporation, and if, in their opinion, it be expedient to make any, and what, alterations therein."

A vote of thanks was agreed to the Governor and directors; and the ballot having been fixed to take place between eleven and four o'clock on Wednesday, the 27th September, the court adjourned shortly after two.

On Wednesday, the 27th ultimo, the ballot accordingly took place, when the result was as follows:—for the Directors' proposition, 138; for the amendment, 123; Majority in favour of the Directors, 15.

STOURBRIDGE AND KIDDERMINSTER BANKING COMPANY.

At the Fourteenth Annual General Meeting, the Directors presented the following Report:—

"The directors of the Stourbridge and Kidderminster Banking Company have now to present to the proprietors their fourteenth annual report. The year which has elapsed since our last general meeting, has been marked by the severest trials ever known to nearly all classes of the mercantile community; and the painful result is, that very many houses, of high character and long established reputation, have become insolvent. Our district, happily, has been less affected than many others. The command of ample resources, during the pressure on the money market, enabled the bank to aid its customers, in all cases, to the full extent promised, and even beyond it; while, at the same time, the bank reaped the advantage of an unusually high rate of interest.

"The accounts of the company for the past year, which were balanced up to the 30th of June, 1848, and have since been audited by the directors, show, after deducting all current charges, a clear surplus profit of £16,125 1s. This is a much higher amount of profit than at any previous period in the history of the bank; but your directors regret to inform you, that by the failure of a firm of recent standing in the iron trade, some loss will be sustained; they, however, feel justified in recommending the same rate of dividend as declared the last half-year, viz., ten shillings per share, making one pound per annum; this will absorb £5,000; and, with the sum of £5,000 already paid, will leave a balance of £6,125 1s.; which they further recommend should be carried forward to next year's account, to cover any losses, and the residue to be hereafter added to the reserve fund.

"After writing off all ascertained bad debts, the bank has realised, in fourteen years, the sum of £156,942 13s. 9d.; being more than treble the capital paid up by the proprietors."

Reviews.

- 1.—*The Modern Cambist*—forming a manual of *Foreign Exchanges*. By William Tate. Sixth Edition.
- 2.—*The Counting House Guide to the higher branches of Calculations*. By William Tate. New Edition.
- 3.—*A New Check Journal, upon the principles of double-entry*. By George Jackson. Seventh Edition.

THESE are three excellent commercial works, recently republished by Mr. Edingham Wilson, and only requiring a notice of the fact to ensure their extensive circulation. The New Edition of the *Modern Cambist* is edited by

the son of the deceased author, who appears to have added to the work all that could be done in the way of improvement; but the acknowledged excellence of the treatise has left little room for the display of editorship. Some additional information on the subject of the Spanish Exchanges is given, which renders this part of the work complete.

The *Counting House Guide* is what the title imports, and it will be found a serviceable work, not only by junior clerks in banks and merchants' offices, but also as a desk-book for reference by higher officers. It includes the whole range of commercial arithmetic, and the rules are very clearly explained.

Jackson's Book-keeping having reached a Seventh Edition, requires no critical notice; but we may repeat the review of previous editions, and say that it is one of the very best works on the subject. An advantage belonging to it is, "that an attentive perusal will, in most cases, supersede the tiresome drudgery attendant upon what is termed a regular course of Book-keeping," at least for young men who have any acquaintance with the general routine of "counting-house business;" and this is a feature in the work which will, we know, render it acceptable to many of our readers.

Tables for the Calculation of Interest on any sum for any number of Days, at Rates from one-half to Six per Cent. By Robert Gilmer. Third Edition. London: J. J. Griffin and Co.

THIS work differs from the numerous interest tables published, in its being exclusively intended to facilitate the calculation of interest on current accounts, giving the values of the daily debtor and creditor products in a convenient and easy form for reference, so as to save much labour to the accountant in balancing. It is peculiarly a Banker's Book; and its usefulness will recommend it to those for whom it is intended.

The present State of the Currency practically considered, proving the justice and necessity of immediately and effectually revising the Currency Measures of 1819 and 1844. London: G. Biggs.

THIS is a reprint of various articles that have appeared in the morning journals and monetary publications from time to time, in opposition to the Currency enactments of Sir Robert Peel; with an introduction by the editor; and it will be found useful as a collection of some of the best papers which have appeared during the Currency discussions of the past two years.

Savings' Banks: their defects—the remedy. By W. H. Porter, Esq. Dublin: Hodges and Smith.

THE contents of this work originally appeared in the form of letters in *Saunders's Newspaper*, Dublin, and they comprise a variety of useful suggestions for the improvement of the Savings' Bank system; with an exposure of the malpractices which have too frequently prevailed in consequence of its inadequacy to meet the requirements made upon it. The remedy suggested is the adoption of a better system of accounts, on the plan invented by Mr. Craig, of Cork, whose system is very fully explained. The work will be found interesting to parties connected with Savings' Banks.

BOOKS RECEIVED.

- 1.—*Lectures on the Nature and Use of Money.* By John Gray.
- 2.—*The National Distress: its financial origin and remedy.*

We intend to notice these works more fully hereafter.

Notes of the Month.

THE "BUDGET" NIGHT IN THE HOUSE OF COMMONS.—The following amusing description of a scene in the House of Commons, on the night the budget was brought forward (Friday, 25th August), is given by the London correspondent of the *Liverpool Albion* :—

"While your correspondent was looking down on the involuntary and not particularly fascinating posturizing of her Majesty's Postmaster-General, the Marquis of Clarinccarde, who came post-haste to hear the solo on Wood's horn, and had to go through a prolonged series of gymnastics in the fidgets before the performance commenced, Mr. Childers, the member for Malton, came into the Speaker's gallery, and whispered to a friend that his relative, the Exchequer oracle of the family Cabinet, was in that state of mind known to metaphysicians as the doldrums; and certainly the appearance of Sir Charles as he twisted about in his seat, and talked to three or four people at once, and tried to look unconcerned while going through spasmodic physiognomical contortions, *à la* Grimaldi, confirmed the report. He came over to Clarinccarde, and having chatted for some ten minutes with seemingly desperately dolorous jocularity, went back again; and then finding that a talk on Ireland had begun, and that John O'Connell was behind him, he started off to the rear of the Speaker's chair, lay down, and tried with all his might to make believe that he was enjoying forty winks. But the effort was as great a sham as his finance :—it deceived no one; though every one admitted that he was caught napping before the evening was over.

"Meanwhile the talk upon Ireland came to a close, redeemed from commonplace by a most masterly speech from Bright, delivered in his best manner, and with great effect on both sides of the house, though consisting, for the most part, of a series of axioms and illustrations equally obnoxious to both. It was Bright's best, that is, his most Parliamentary effort in Parliament; and had it been made on any definite motion, instead of being incidental to a mere colloquial discussion, it would rank first among the very few practically telling speeches of the session.

"When Bright sat down, Labouchere, who didn't at all seem to relish the democratic home truths he had been listening to, especially seeing how they were received, 'entreated the house to permit his right honourable friend, the Chancellor of the Exchequer, to proceed with his anxious and arduous duty of laying the financial position of the British Empire before the representatives of the people of the United Kingdom.' The bathos of this Ossianic appeal became positively sublime as the perky factotum of the Cabinet pointed to the Cabinet cypher,—Sir Charles at the moment starting half up from his simulated slumber, and presenting a tableau about as dignified and soul-inspiring as Jack Reeves' imitation of Kean's tent scene, in *Richard*. A titter ran through that part of the house whence the great financier was visible; and the merriment was not a little heightened when, instead of stepping forward at once, he retired for some five minutes to compose his nerves and waistcoat. On his return, instead of starting off with the business in hand, he must advert to the three hours' talk there had already been, and consumed a good half-column of small type in saying that he really meant no disrespect to the Irish members; but it was necessary that he should say something about the revenue. Something he did say certainly, but such a something as such an officer never said before. The manner of the man would have been destructive to the matter of a Locke or a Bacon; but you felt that his matter was on a par with his manner;—not that the matter was bad in itself, though bad enough it was, and no mistake; but that he knew nothing of the matter; and all the time he was boggling and stammering and hammering, and nodding

and jerking and twaddling, and repeating his words a dozen times over, deepening the dark profound of obscurity each time worse than before—the thought perpetually apparent in the listener's mind was—What has made this man Chancellor of the Exchequer? Spring Rice was notoriously as shallow and transparently quackish a mountebank as ever chattered of arithmetic. But he was the Calculating Boy himself compared to Wood. Rice could repeat what he had got up—he could read out the tables before him—and could tell the meaning of the words he employed, even if he didn't know their precise bearing. Wood is obviously ignorant of the rudiments of the very nomenclature of the science of which he is titular high priest. The house felt this, and treated him with an indulgence entitling each member to a ticket for the next dinner of the Philanthropic or the Royal Humane Society. Bentinck, to be sure, spoke in the most scornful and contemptuous terms and tone imaginable of the whole affair; and the frequent explanatory interruptions of Wood during the noble Protectionist's coarse and clumsy but mortifying analysis, show how severely felt were these strictures. But the Radicals were not only lenient but generous. Thus when Sir Charles talked of 'selling two millions of stock,' Hume good naturedly said 'creating.' Wood did not take the hint, and was going on, when the house called out 'creating stock.' Sir Charles boggled—quite mystified as to the nature of the interruption; when Labouchere whispered the point. 'Oh, ah,—aye, to be sure—creating stock—of course I meant creating stock: when I said selling stock I used the technical phrase; but the house will see that creating stock was what I meant.' The house did see it indeed, which was much more than their informant could say; and his 'technical phrase,' as he nonsensically but cunningly called it, settled the business for him with Bentinck, who twitted him, (rather forbearingly, considering the opportunity,) with the identity he had discovered between real and imaginary property.

"Wood's speech, as given in this morning's *Times*, &c., is one entire and perfect 'chrysal,' compared to the spoken effusion. The tables being all cut and dried (most probably by Wilson) tell their own tale; and being freed in a great measure from the masses of tautological verbiage that overlaid and overwhelmed them in the disjointed references made by the speaker, there is a consecutiveness and coherency about the whole affair that must have amazed Sir Charles this morning most delightfully. It is to be hoped it will prompt him immediately to quadruple the pension list, for the accommodation of the gentlemen of the fourth estate; in which case it is not wholly impossible that one amongst us may follow the example Messrs. Aristides Fonblanque, Rhadamanthus Wilson, and Phocion Buller, in regarding this chip of Wood's block as the real *lignum vitæ* of Whiggery and its red tape trumpeters."

DEATH OF MR. WOOTTEN, BANKER, OF OXFORD.—Richard Wootten, Esq., banker, Oxford, died on the 9th September ulto., after a short illness, at his residence at Ifley, in the 85th year of his age. He was a man of extraordinary business habits, and attended to banking matters until within a few hours of his death. He is said to have amassed a fortune of £500,000. For many years he was a draper as well as banker, but relinquished the former trade some time since. In many of his economical habits he was not outdone by the late "Jemmy Wood," of Gloucester celebrity.

BANKING HOURS.—The following West-end bankers have issued notices to close at four o'clock on and after the 2nd of October next:—Messrs. Coutts and Co.; Messrs. Strachan and Co.; Messrs. Ransom and Co.; Messrs. Herries and Co.; Messrs. Bouverie and Co.

CAUTION RESPECTING BANK OF IRELAND NOTES.—The following has been issued from the Bank of Ireland Office in Belfast :—" Our attention has been lately directed to several notes of the Bank of Ireland, having all the appearance of being ten pound notes, most ingeniously fabricated out of notes of £1; and, as it is to be apprehended that there may be more of such in circulation, we deem it our duty to give this cautionary notice to the public. As a means of detection, we would recommend persons receiving £10 notes carefully to examine them, by holding them between the eye and the light, as that part of the paper on which the alterations have been made, has been so rubbed down as to look thinner than the other part of it. This may also be tested by inspecting the back of the note, the impression produced by the printing, in the altered part, being visible through the paper, especially under the signature."

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF SEPTEMBER, 1848.

THIS has been a very quiet month; but there has been a tendency towards improvement more or less distinct in almost all quarters. Money is almost as cheap as in the spring. First class paper can be done at something very near $2\frac{1}{2}$ per cent.; and on the Stock Exchange employment is not easy at a $\frac{1}{2}$ per cent. less.

Consols have been exceedingly steady, and leave off at 86. Exchequer Bills have vibrated at about 25 to 30; and the only class of people who seem to have any sound cause to complain of a formidable depreciation are the holders of railway shares. There certainly has been a remarkable fall during the last few months in these securities.

The following is a specimen of the prices at present :—

London and North Western ..	110
Great Western	80
Midland	86
York and North Midland	56

Comparing these rates with the rate of 1846 or even of 1847 is not a pleasant, although it may possibly be an instructive employment. Recovery must come from the companies, and not from the money market. The money market is as easy as it well can be. But so long as the public are justified by events in looking with suspicion on the financial stability of these concerns, it can excite no great surprise that an article which everybody distrusts will fall into the hands of somebody at a characteristic price.

STATE OF TRADE.

The subjoined figures of the state of employment in Manchester indicate a condition of trade not very different from that of last month. On the whole, however, there is felt to be less firmness in prices, and the manufacturers seem inclined to think badly of the winter prospects.

	Mills.		Work people.	
	22nd Aug. 1848.	18th Sep.	22nd Aug. 1848.	18th Sep.
Working full time ..	181 ..	182 ..	36,823 ..	37,989
Working short time ..	18 ..	14 ..	2,869 ..	2,662
Stopped work	11 ..	12 ..	5,008 ..	4,049
	<u>210</u>	<u>208</u>	<u>44,700</u>	<u>44,700</u>

THE CORN TRADE.

The *Gazette* averages for England and Wales have been :—

Weeks ended, 1848.	Qrs. sold.	Weekly average.		Six Weeks' average.		Duty.		Corresponding Six Weeks Last Year.	
		s.	d.	s.	d.	s.	d.	s.	d.
Aug. 19 ..	136,324 ..	51	0	49	6	8	0	71	11
" 26 ..	119,293 ..	52	3	50	1	7	0	69	8
Sep. 2 ..	115,439 ..	55	5	51	2	6	0	66	6
" 9 ..	128,292 ..	56	10	52	8	5	0	62	2
" 16 ..	114,309 ..	53	8	53	4	4	0	57	10

We have no material addition to make to our statement of last month. The dry, clear, and seasonable weather which we enjoyed during the whole of the first three weeks of September have, without doubt, mitigated a positive dearth into a mere deficiency; and the more so because the propitious change was not confined simply to one country, or one part of the kingdom, but by the aid of the electric telegraph and the diurnal bulletins of the *Daily News*, we know that it extended over nearly the whole of the island of Great Britain. Beyond the Trent, and in all the backward northern counties, the advantage derived from this continuance of fine weather was most important. It ripened the fields less favourably situated, and it enabled the farmer to carry his entire produce in excellent condition. This, therefore, must be taken into account. But even when the most has been made of it, there still remains a deficiency, which we shall be happy to find that the progress of the threshing diminishes rather than augments. Our expectation is rather to the contrary. In the meantime the markets do not exhibit much excitement. The corn trade in America and the Baltic is brisk, and it is abundantly certain that from both quarters we shall receive supplies.

The potatoe disease has not in any way diminished during the month. We are not sure that it has not extended.

BANK OF ENGLAND.

The Bank's returns have been :—

LIABILITIES.								
Date. 1848.	Circulation.	Public Deposits.	Private Deposits.	Total Deposits.	Rest.	Total Liabilities.		
Aug. 19	19.41 ..	4.54 ..	8.57 ..	13.11 ..	3.61 ..	36.14		
" 26	19.17 ..	4.87 ..	8.71 ..	13.58 ..	3.55 ..	36.31		
Sep. 2	19.11 ..	5.02 ..	8.82 ..	13.84 ..	3.82 ..	36.79		
" 9	18.84 ..	5.46 ..	8.77 ..	14.23 ..	3.83 ..	36.90		
" 16	18.68 ..	6.20 ..	8.73 ..	14.93 ..	3.83 ..	37.44		

ASSETS.							
Date. 1848.	Public Securities.	Private Securities.	Bullion in Banking Department.	Bullion in Issue Department.	Total Bullion.	Total Assets.	
Aug. 19	12.46 ..	10.31 ..	9.06 ..	4.31 ..	13.37 ..	36.14	
" 26	12.46 ..	10.35 ..	9.38 ..	4.12 ..	13.50 ..	36.31	
Sep. 2	12.46 ..	10.82 ..	9.31 ..	4.20 ..	13.51 ..	36.79	
" 9	12.46 ..	10.77 ..	9.82 ..	3.84 ..	13.66 ..	36.90	
" 16	12.67 ..	10.94 ..	10.13 ..	3.69 ..	13.82 ..	37.44	

The main features in these figures are the continued depression of the *circulation*, the continued small amount of the *private securities*, and the increase of the bullion. The first bears testimony to a contracted trade, the second to a low value of money; and the third to a favourable turn in the Foreign Exchange. So long as these are the leading facts of the position of the Bank, any speculations upon the rise of the *minimum* rate are a mere waste of time. At the date of our next review we shall probably have to notice a slightly altered state of things.

THE ENGLISH FUNDS.—Daily Prices from 26th August, 1848, to 26th September, 1848, inclusive.

	26	28	29	30	31	1	2	4	5	6	7	8	9	11	12	13	14	15	16	18	19	20	31	22	23	25	26
Bank Stock (div. 9 per Ct.)	197	197	198	197	197	197	197	197	197	197	196	196	196	196	196	197	197	197	197	197	197	197	197	197	197	197	197
3 per Ct. Red. Anns.	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
3 per Ct. Consols Anns.	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
3 per Ct. Anns. 1756	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
3 per Ct. Anns.	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
New 5 per Ct. Anns.	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
Long Anns. Jan. 5, 1846	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
Ditto 30 years, Oct. 10, 1849	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
Ditto 30 years, Jan. 5, 1846	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
Ditto 30 years, Jan. 5, 1840	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86	86
India Stock (div. 104 per cent.)	239	239	238	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
Ditto Bonds £1000 (div. 44 p. c.)	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Ditto, under £1000	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p	23p
South Sea Stock (div. 34 p. c.)	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Do. Old Anns. (div. 3 p. c.)	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Do. new Anns. (div. 3 p. c.)	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Bank Stock for acct. May 9	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
3 p. Ct. Cons. for op. July 14	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
India Stock for op. July 14	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Ex. Billa £1000, 2d.	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Ditto. £500 do.	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Ditto. Small do.	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p
Ditto. Advertised	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p	109p

JOINT STOCK BANKS.

	Latest Price.
Australia	£40 0pd.
British North American	100
Commercial of London	100
London and Westminster	100
London, New	100
London Joint Stock	100
Provincial of Ireland	100
Ditto, New	100
National of Ireland	100
Ditto, New	100
Union of Australia	100
Commercial	100

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 5 per Cent.	100
Belgian Bonds, 4 1/2 per Cent.	100
Brazilian Bonds, 5 per Cent.	100
Buenos Ayres Bonds, 6 per Cent.	100
Cuba Bonds, 6 per Cent.	100
Chilian Bonds, 6 per Cent.	100
Columbian Bonds, 6 per Cent.	100
French 3 per Cent.	100
Granada 1821—25, 5 per Cent.	100
Mexican 5 per Cent., 1846.	100
Peruvian Bonds, 6 per Cent.	100
Portuguese Bonds, 4 per Cent.	100
Russian Bonds, 1852, 5 1/2 per Cent. in 2 Stks.	100
Spanish Bonds 5 per C. div. from Nov. 1840	100
Ditto, Passive Bonds	100
Ditto, Deferred	100
Ditto, 3 per Cent. Spanish Bonds	100
Ditto, 3 per Cent. Venetian Bonds	100
Ditto, 3 per Cent. Loan	100
Ditto, 3 per Cent. at Paris Bond, 7 1/2 per Cent.	100
Ditto, 3 per Cent. at Paris	100

Bullion exported from the United Kingdom.

The following Table shows the aggregate EXPORTS of COIN and BULLION from the United Kingdom, in each year, from 1830 to 1847, inclusive:—

YEARS.	GOLD.			SILVER.		
	British Coin.	Foreign Coin and Bullion.	Total.	British Coin.	Foreign Coin and Bullion.	Total.
	Ounces.	Ounces.	Ounces.	Ounces.	Ounces.	Ounces.
1830 ..	10,484	159,316	169,800	65,000	18,747,879	18,812,879
1831 ..	34,564	365,946	400,510	21,000	21,412,160	21,433,160
1832 ..	702	179,774	180,476	23,086	9,205,373	9,228,459
1833 ..	10,988	439,240	450,228	25,000	17,099,180	17,124,180
1834 ..	181,738	173,367	355,105	148,432	13,426,505	13,574,937
1835 ..	63,911	26,188	90,099	454,738	8,489,009	8,943,747
1836 ..	205,162	229,665	434,827	294,586	7,568,524	7,863,110
1837 ..	166,485	34,996	201,481	285,920	13,354,084	13,640,004
1838 ..	375,548	105,883	481,431	464,918	1,894,904	13,359,822
1839 ..	251,696	405,626	657,322	779,257	13,021,226	13,800,483
1840 ..	57,700	316,871	374,571	471,869	15,496,408	15,968,277
1841 ..	17,952	13,683	31,635	502,243	14,852,180	15,354,423
1842 ..	107,829	9,363	117,192	149,832	13,832,956	13,982,788
1843 ..	564,509	28,296	592,805	553,586	11,809,408	12,362,994
1844 ..	23,979	40,209	64,188	325,721	13,403,310	13,729,031
1845 ..	11,728	45,643	58,371	429,458	14,939,174	15,368,632
1846 ..	99,527	38,878	138,405	237,209	9,330,419	9,617,628
1847 ..	1,005,651	236,986	1,242,637	952,955	14,320,824	15,273,779

Of the 1,242,637 ounces of gold, and 15,273,779 ounces of silver, thus shown to have been exported in 1847, it appears that 1,005,651 of the gold, and 952,955 of the silver, was in the coinage of this country, the remainder being foreign. While, however, nearly all the gold exported was British, the silver was almost exclusively foreign, the proportions being as follows:—

			Gold. oz.	Silver. oz.
British coinage .. ..	..	..	1,005,651	952,955
Foreign coin and bullion .. ..	..	..	236,986	14,320,824
Total exported .. ..	..	..	1,242,637	15,273,779

On an analysis of the account, the total amount of specie exported appears to have been shipped to foreign countries in the following proportions:—

			Gold. oz.	Silver. oz.
To the United States .. ..	..	..	838,039	—
France .. ..	..	..	43,341	9,252,115
Hanseatic Towns .. ..	..	..	33,954	3,312,233
Holland .. ..	..	..	23,412	630,429
Belgium .. ..	..	..	47,400	430,086
Portugal .. ..	..	..	93,502	144,442
Cape of Good Hope .. ..	..	..	10,662	277,093
British North America .. ..	..	..	6,569	201,103
British West Indies .. ..	..	..	7,293	560,782
Cuba .. ..	..	..	74,879	—
Other countries .. ..	..	..	63,596	465,491
Total exports .. ..	..	..	1,242,637	15,273,779

Valuing the above amounts at the Mint price of gold and the average price of silver, it would appear that the bullion exported exceeded £10,000,000 sterling, of which sum about half was gold and the remainder silver. From this amount, however, in order to ascertain the net sum exported, the value of the specie *imported* must be deducted, but the Custom House returns do not afford any information on the point.

Bankers' Magazine Appendix, October, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTES.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		July 22.	July 29.	August 5.	August 12.
	£	£	£	£	£
1 Andover Bank	17,751	11,810	14,561	12,839	13,533
2 Ashford Bank	11,849	9,110	8,700	9,566	9,251
3 Aylsham Bank	5,854	5,514	5,403	5,200	4,877
4 Aylesbury Old Bank	48,461	30,735	31,290	33,080	32,191
5 Baldock and Biggleswade Bank	37,223	25,484	24,241	24,530	24,285
6 Barnstable Bank	17,182	9,510	9,965	9,855	9,871
7 Basingstoke and Odiham Bank	24,730	18,463	17,720	16,911	16,402
8 Bedford Bank	34,218	28,990	28,523	27,730	28,415
9 Bedford and Bedfordshire Bank	8,515	6,157	5,502	5,465	5,435
10 Bewdley Bank	18,597	13,020	13,455	13,191	12,931
11 Bicester and Oxfordshire Bank	27,090	13,705	13,884	14,000	14,214
12 Birmingham Bank—Attwoods & Co.	23,695	24,553	23,491	23,317	22,591
13 Birmingham and Warwickshire Bk.	18,132	14,104	13,576	13,273	13,296
14 Blandford Bank	9,723	7,229	7,230	6,916	6,677
15 Boston Bank—Garfit and Co.	75,069	60,879	59,920	59,022	58,768
16 Boston Bank—Gee and Co.	15,161	11,682	11,842	10,483	10,112
17 Bridgewater Bank	10,028	5,530	5,704	5,920	6,112
18 Bristol Bank	48,277	27,855	27,544	27,345	26,828
19 Broseley and Bridgenorth Bank	26,717	19,089	18,148	18,015	17,195
20 Buckingham Bank	29,657	18,893	19,499	20,325	20,438
21 Bury and Suffolk Bank	82,362	65,720	64,090	66,285	68,672
22 Banbury Bank	43,457	23,411	22,904	22,504	23,195
23 Banbury Old Bank	55,153	25,296	24,225	22,659	22,619
24 Bath City Bank	4,572	2,545	2,857	2,815	2,722
25 Bedfordshire Leighton Buzzard Bk.	36,829	30,916	30,786	30,969	28,822
26 Birmingham Bank—Taylor & Lloyds	38,816	30,563	28,577	29,171	29,255
27 Bradford Old Bank	12,676	12,874	12,049	12,121	12,774
28 Brecon Old Bank	68,271	50,470	51,352	49,778	51,315
29 Brighton Union Bank	33,794	27,865	27,575	27,199	26,277
30 Burlington and Driffield Bank	12,745	10,790	11,137	10,677	11,032
31 Bury St. Edmund's Bank	3,201	2,752	2,672	2,993	2,602
32 Bromsgrove Bank	16,799	12,462	12,170	11,735	11,130
33 Cambridge Bank—Mortlock & Son's	25,744	18,481	18,197	18,268	18,340
34 Cambridge and Cambridgeshire Bk.	49,916	44,722	43,806	43,772	44,204
35 Canterbury Bank	33,671	27,145	26,714	26,390	25,339
36 Carmarthen Bank	23,597	14,209	14,121	14,727	14,804
37 Chertsey Bank	3,436	2,978	2,813	2,900	3,425
38 Colchester Bank	25,082	15,324	15,755	16,047	16,405
39 Colchester and Essex Bank	48,704	31,608	31,725	33,151	33,110
40 Cornish Bank	49,869	32,840	32,690	33,481	33,055
41 Coventry Bank	12,045	7,660	7,574	7,533	7,664
42 City Bank, Exeter	21,527	17,290	17,154	17,701	17,794
43 Craven Bank	77,154	65,303	65,080	64,601	64,613
44 Christchurch Bank	2,840	1,889	1,905	1,990	2,000
45 Cardiff Bank	7,001	5,942	5,914	6,167	5,985
46 Chepstow Old Bank	9,387	5,635	5,829	7,180	7,505
47 Derby Bank—Messrs. Evans	13,332	12,628	14,306	13,521	11,590
48 Derby Bank—Smith and Co.	41,304	27,760	29,834	29,407	28,315
49 Derby Old Bank	27,237	25,055	24,775	25,996	24,051
50 Devizes and Wiltshire Bank	20,674	10,835	10,928	11,291	10,827
51 Diss Bank	10,657	9,848	10,031	10,379	10,527
52 Doncaster Bank and Retford Bank	77,400	54,249	54,569	56,306	58,166
53 Darlington Bank	86,218	65,947	63,880	63,163	63,353

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		July 22.	July 29.	August 5.	August 12.
	£	£	£	£	£
54 Devonport Bank	10,664	10,306	10,806	10,550	10,600
55 Dorchester Old Bank	48,807	38,508	38,517	39,083	41,299
56 East Cornwall Bank	112,280	81,281	81,926	81,522	81,100
57 East Riding Bank	53,392	45,742	43,412	43,487	43,283
58 Essex Bk. & Bishops Stortford Bk.	69,637	39,628	39,283	40,346	41,487
59 Exeter Bank	37,894	27,248	26,928	26,358	25,948
60 Fakenham Bank	24,293	19,540	19,622	20,036	19,149
61 Faringdon Bank & Bk. of Wantage	8,977	5,065	4,879	4,720	4,578
62 Farnham Bank	14,202	10,908	10,892	10,967	11,039
63 Faversham Bank	6,681	5,136	4,914	4,940	4,848
64 Godalming Bank	6,322	5,166	5,113	5,172	5,200
65 Grantham Bank—Kewney & King	19,401	3,375	3,180	—	—
66 Guildford Bank	14,524	12,279	12,429	11,992	11,408
67 Grantham Bank—Hardy & Co. . .	30,372	20,541	19,650	19,629	21,166
68 Hastings Old Bank	38,038	19,908	20,124	20,292	19,715
69 Hereford City and County Bank. .	22,364	14,021	14,161	14,329	14,079
70 Hertford and Ware Bank	23,635	15,111	13,869	13,438	13,783
71 Hull & Kingston-upon-Hull Bank	19,979	17,230	17,178	17,253	17,276
72 Huntingdon Town & County Bank	56,591	37,460	36,775	37,712	37,543
73 Harwich Bank	5,778	4,750	4,800	4,678	4,430
74 Hemel Hempstead Bank.	23,842	21,341	21,010	20,949	20,306
75 Hertfordshire, Hitchin Bank . . .	38,764	31,468	30,692	31,068	31,002
76 Hereford, Ross, & Archenfield Bk.	27,623	21,170	21,377	20,583	20,117
77 Ipswich Bank	21,901	18,414	18,105	18,611	18,441
78 Ipswich & Needham Market Bank	80,699	66,083	65,944	65,560	65,763
79 Kentish Bank	19,895	8,811	9,013	9,156	9,568
80 Kingston and Radnorshire Bank . .	26,050	18,152	17,089	17,938	19,321
81 Knighton Bank	9,090	6,425	6,155	5,541	4,456
82 Knaresborough Old Bank	21,825	17,323	17,798	17,440	17,065
83 Kendal Bank	44,663	33,897	34,537	34,743	34,600
84 Kettering Bank	9,192	6,620	6,222	6,010	6,012
85 Lane End Staffordshire Bank . . .	5,624	5,166	5,313	5,218	5,260
86 Leeds Bank	53,357	45,650	43,999	44,843	44,642
87 Leeds Union Bank	37,459	36,614	33,951	36,300	36,383
88 Leicester Bank	32,322	23,016	21,704	20,485	20,580
89 Lewes Old Bank	44,836	29,157	29,410	30,923	20,320
90 Lichfield Bank	22,786	19,635	19,658	18,842	18,205
91 Lincoln Bank	100,342	81,339	77,668	79,531	76,363
92 Llandoverly Bank & Llandilo Bank	32,945	25,289	20,803	20,590	23,720
93 Loughborough Bank	7,359	5,992	6,689	6,334	6,167
94 Lymington Bank	5,038	3,785	3,565	3,531	3,625
95 Lynn Regis and Lincolnshire Bank	42,817	37,387	35,708	37,958	37,466
96 Lynn Regis and Norfolk Bank . .	13,917	12,982	12,905	14,239	14,075
97 Macclesfield Bank	15,760	10,492	10,502	10,893	11,144
98 Mannington Bank	7,692	5,039	5,105	5,158	5,156
99 Marlborough Bank	19,073	10,124	10,712	10,844	11,237
100 Marlboro & North Wiltsh. New Bk.	12,490	7,514	7,480	7,995	7,433
101 Merionethshire Bank	10,906	4,324	4,060	4,292	5,959
102 Miners' Bank	18,688	13,167	13,264	13,355	13,360
103 Monmouthsh. Agricul. & Com. Bk.	29,335	23,648	23,481	24,875	25,160
104 Monmouth Old Bank	16,385	13,736	12,815	12,526	12,901
105 Monmouthshire Newport Old Bank	8,600	8,272	8,370	8,732	8,300
106 Newark Bank	23,788	16,955	16,421	17,267	17,030
107 Newark and Sleaford Bank. . . .	51,615	41,671	41,316	42,217	42,634
108 Newbury Bank	36,787	22,050	22,139	22,759	22,521
109 Newmarket Bank	23,098	17,507	17,030	17,106	17,095
110 Norfolk and Suffolk Bank	4,551	2,032	2,039	2,015	2,046
111 Norwich Crown Bank	45,120	37,220	37,123	37,682	38,730

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		July 22.	July 29.	August 5.	August 12.
	£	£	£	£	£
112 Norwich and Norfolk Bank.....	75,372	65,575	63,304	62,884	61,470
113 Nottingham & Nottinghamsh. Bk.	10,866	8,623	7,795	7,319	7,568
114 Nuneaton Bank.....	5,898	4,822	4,552	4,482	4,213
115 Naval Bank, Plymouth.....	27,321	23,395	22,760	22,159	20,824
116 New Sarum Bank.....	15,659	10,947	10,566	10,092	10,897
117 Nottingham Bank.....	31,047	25,235	24,669	25,618	24,576
118 Oswestry Bank.....	18,471	10,149	10,127	10,567	10,765
119 Oxford Bank.....	14,277	10,563	9,986	9,470	9,483
120 Oxford Old Bank.....	34,391	33,937	31,338	30,153	29,433
121 Old Bank Tonbridge.....	13,183	7,201	7,046	7,208	6,957
122 Oxfordshire Witney Bank.....	11,852	6,902	7,348	6,865	6,665
123 Pease's Old Bank, Hull.....	48,807	42,289	42,121	40,655	39,246
124 Penzance Bank.....	11,405	10,118	10,032	10,405	9,879
125 Peterborough Bank—Yorke & Co.	12,545	7,656	8,302	8,143	8,350
126 Peterborough Bk.—Simpson & Co.	12,832	8,249	8,431	8,739	8,950
127 Pembrokeshire Bank.....	12,910	8,529	7,610	7,295	7,721
128 Reading Bank—Simmonds & Co.	37,519	28,381	29,060	28,947	28,471
129 Reading Bank—Stephens & Blandy	43,271	25,619	25,988	25,509	25,460
130 Richmond Bank, York.....	6,889	4,272	4,342	4,105	4,211
131 Ringwood and Poole Bank.....	11,856	7,357	7,336	7,538	8,174
132 Rochdale Bank.....	5,590	5,223	5,216	5,371	5,300
133 Rochester, Chatham, & Strood Bk.	10,480	9,554	9,526	9,046	8,621
134 Royston Bank.....	16,393	11,515	11,595	11,561	12,485
135 Rugby Bank.....	17,250	11,165	10,671	10,637	10,280
136 Rye Bank.....	29,864	12,333	12,890	12,355	12,590
137 Reigate and Dorking Bank.....	13,700	12,566	12,643	11,906	11,680
138 Ross Old Bank, Herefordshire ..	7,420	4,319	4,179	4,355	4,220
139 Saffron Walden & North Essex Bk.	47,646	26,722	26,598	26,965	27,327
140 Salop Bank.....	22,338	11,952	11,861	11,869	12,274
141 Scarborough Old Bank.....	24,813	21,540	21,420	20,450	20,556
142 Shrewsbury Old Bank.....	43,191	25,157	24,114	23,681	25,542
143 Sittingbourne and Milton Bank ..	4,789	2,690	2,813	2,756	2,312
144 Southampton Town & County Bk.	18,589	13,644	12,965	13,054	12,496
145 Southwell Bank.....	14,744	11,298	12,002	12,085	11,415
146 St. Albans Bank.....	3,743	1,068	1,045	1,073	976
147 Southampton and Hampshire Bank	6,770	3,380	3,731	3,800	3,791
148 Stone Bank.....	9,154	4,272	4,115	4,151	4,300
149 Stourbridge Bank.....	17,295	14,389	14,035	13,975	13,871
150 Stafford Old Bank.....	14,166	12,250	12,482	14,225	13,546
151 Stamford and Rutland Bank.....	31,858	24,986	23,700	23,500	24,428
152 Stourbridge Old Bank.....	17,560	16,845	17,425	17,424	17,307
153 Shrewsbury and Welsh Pool Bank	25,336	20,848	20,050	18,865	18,270
154 Taunton Bank.....	29,799	19,760	19,867	20,214	19,948
155 Tavistock Bank.....	13,421	8,317	8,165	7,688	7,803
156 Thornbury Bank.....	10,026	6,402	6,736	6,694	6,679
157 Tiverton and Devonshire Bank ..	13,470	7,066	7,154	7,177	7,075
158 Thrapstone and Kettering Bank ..	11,559	10,446	10,170	9,755	9,804
159 Tring Bank and Chesham Bank ..	13,531	11,073	12,200	11,536	11,305
160 Towcester Old Bank.....	10,801	7,653	7,505	7,199	7,017
161 Union Bank, Cornwall.....	17,003	7,146	7,067	7,391	8,035
162 Uxbridge Old Bank.....	25,136	18,381	18,116	18,132	17,609
163 Wallingford Bank.....	17,064	7,210	6,965	6,710	6,441
164 Warwick and Warwickshire Bank	30,504	20,407	20,057	19,422	20,020
165 Wellington Bank, Somerset.....	6,528	2,943	3,257	3,313	3,043
166 West Riding Bank.....	46,158	42,418	41,265	41,895	40,757
167 Whitby Old Bank.....	14,258	12,419	12,538	11,904	11,492
168 Winchester, Alresford & Alton Bk.	25,892	20,796	22,223	23,748	23,133
169 Winchester and Hampshire Bank	6,737	4,561	4,347	4,167	4,008

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		July 22.	July 29.	August 5.	August 12.
	£	£	£	£	£
170 Weymouth Old Bank	16,461	12,497	12,896	12,443	12,753
171 Wirksworth and Derbyshire Bank	37,602	29,045	27,182	26,972	26,203
172 Wisbech and Lincolnshire Bank..	59,713	46,350	45,786	48,113	47,610
173 Wiveliscombe Bank.....	7,602	5,398	5,652	5,114	5,190
174 Wolverhampton Bank—Goodricke & Co.	14,180	12,526	12,420	12,543	12,490
175 Worcester Bank	15,463	8,411	8,779	8,815	8,517
176 Worcester Old Bank	87,448	66,576	68,377	67,347	66,407
177 Worcestershire Bank	14,309	11,529	11,738	11,211	10,487
178 Walsall Old Bank	19,937	10,219	8,985	7,629	6,830
179 Warminster and Wiltshire Bank..	24,896	11,782	12,526	12,430	13,150
180 Wrexham Bank	3,289	170	170	164	158
181 Wolverhampton Bank—R. & W. Fryer	11,867	11,065	10,670	10,587	10,285
182 Yarmouth and Suffolk Bank	53,060	40,576	39,412	39,145	39,960
183 Yarmouth, Norfolk, & Suffolk Bk.	13,229	10,285	10,447	10,501	10,206
184 Yeovil Old Bank	10,033	6,493	6,386	6,270	6,104
185 York Bank	46,387	37,235	37,692	38,017	39,098

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	7,303	7,413	7,331	7,394
2 Barnsley Banking Company	9,563	7,760	7,781	8,056	8,100
3 Bradford Banking Company.....	49,292	43,294	42,291	42,287	41,777
4 Bilston District Banking Company	9,418	9,269	8,846	9,869	9,187
5 Bank of Whitehaven.....	32,681	25,783	25,059	25,006	24,449
6 Bradford Commercial Banking Co.	20,084	19,200	18,029	17,539	17,903
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	39,080	38,212	37,492	37,194
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	7,780	8,022	7,702	7,374
9 Cumberland Union Banking Co. .	35,395	27,747	28,129	27,930	26,860
10 Cheltenham & Glo'stershire Bk. Co.	12,786	9,099	9,066	9,092	9,058
11 Coventry & Warwickshire Bk. Co.	28,734	20,325	19,319	19,282	19,210
12 Coventry Union Banking Company	16,251	12,664	12,357	12,822	11,905
13 County of Gloucester Banking Co.	144,352	91,461	91,704	89,084	89,780
14 Carlisle & Cumberland Banking Co.	25,610	23,625	22,482	22,785	21,630
15 Carlisle City and District Bank....	19,972	17,413	16,988	17,079	16,922
16 Dudley & West Bromwich Bkg. Co.	37,696	38,767	38,358	34,258	33,901
17 Derby and Derbyshire Banking Co.	20,093	17,203	16,294	16,157	14,835
18 Darlington Dist. Joint Stock Bk. Co.	26,134	19,320	18,801	18,650	18,108
19 East of England Bank	25,025	23,730	24,356	23,628	23,745
20 Gloucestershire Banking Company	155,920	124,897	123,765	122,938	124,025
21 Halifax Joint Stock Bank.....	18,534	17,531	11,850	12,066	12,198
22 Huddersfield Banking Company ..	37,354	35,001	33,104	32,236	35,626
23 Hull Banking Company	29,333	24,150	22,141	22,290	21,381
24 Halifax Commercial Banking Co..	13,733	9,638	8,728	8,901	8,677
25 Halifax & Huddersfield Union Bank	44,137	37,282	35,621	33,760	35,070
26 Helston Banking Company	1,503	1,457	1,475	1,528	1,471
27 Herefordshire Banking Company..	25,047	15,610	15,304	14,929	15,393
28 Knaresborough and Claro Bkg. Co.	28,059	19,305	18,723	18,466	17,977
29 Kingsbridge Joint Stock Bank....	3,952	3,346	3,264	2,978	2,875
30 Lancaster Banking Company	64,311	50,348	47,653	47,615	46,911
31 Leeds Banking Company	23,076	22,690	22,181	22,981	23,671
32 Leicestershire Banking Company..	86,060	60,435	59,495	58,338	58,681
33 Lincoln and Lindsay Banking Co.	51,620	49,120	48,308	50,197	47,883
34 Leamington Priors & Warwicksh. Bk.	13,875	8,661	8,777	8,300	8,669
35 Ludlow and Tenbury Bank	10,215	7,169	6,842	6,765	7,042

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		July 22.	July 29.	August 5.	August 12.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	20,767	21,039	20,919	21,122
37 Nottingham and Notts. Banking Co.	29,477	21,846	21,226	21,421	20,122
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	3,861	3,745	3,631	3,555
39 National Provincial Bk. of England	442,371	337,349	333,678	333,565	338,577
40 North Wilts Banking Company ..	63,939	41,470	41,435	40,405	42,077
41 Northamptonshire Union Bank ..	84,356	58,644	58,497	58,689	60,722
42 Northamptonshire Banking Co. ..	26,401	19,280	19,288	19,955	19,777
43 North and South Wales Bank	63,951	19,920	18,859	18,945	20,222
44 Parr's Leicestershire Banking Co...	59,300	39,524	38,091	37,568	36,222
45 Saddleworth Banking Company ..	8,122	2,333	2,269	2,171	1,922
46 Sheffield Banking Company	35,843	31,511	33,933	35,125	33,577
47 Stamford, Spalding & Boston Bk. Co.	55,721	43,305	41,350	42,514	44,022
48 Stackey's Banking Company	356,976	240,540	242,419	243,912	235,222
49 Shropshire Banking Company	47,951	38,140	36,850	36,970	37,122
50 Stourbridge and Kidderminster Bk.	56,830	48,190	47,240	48,143	48,122
51 Sheffield and Hallamshire Bank ..	23,524	18,786	19,188	17,619	17,222
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	49,361	49,611	49,820	49,222
53 Swaledale and Wensleydale Bank..	54,372	39,649	39,271	37,240	35,722
54 Storey's and Thomas's Bank.....	9,714	8,686	8,835	9,320	9,577
55 Sheffield and Retford Bank	18,744	785	785	805	822
56 Wolverhampton & Staffordsh. Bank	35,378	36,080	36,280	34,850	34,222
57 Wakefield and Barnsley Union Bank	14,604	11,950	11,677	11,584	11,222
58 Whitehaven Joint Stock Bank	31,916	23,192	23,307	23,299	21,722
59 Warwick and Leamington Bkg. Co.	37,124	26,302	25,089	25,564	27,422
60 West of England and South Wales District Bank	83,535	62,275	62,212	64,670	67,222
61 Wilts and Dorset Banking Company	76,162	55,412	57,327	56,708	59,222
62 West Riding Union Banking Co. ...	34,029	24,759	23,500	23,368	24,722
63 Whitchurch and Ellesmere Bkg. Co.	7,475	1,995	1,878	1,750	2,222
64 Worcester City & County Bkg. Co.	6,848	4,624	4,785	4,648	4,422
65 York Union Banking Company ..	71,240	60,733	58,753	58,465	60,222
66 York City and County Banking Co.	94,695	78,445	77,239	77,866	75,222
67 Yorkshire Banking Company	122,532	91,110	88,604	89,031	90,222

Summary of the above Returns.

	Fixed Issues.	July 22.	July 29.	August 5.	August 12.
	£	£	£	£	£
187 Private Banks	4,880,389	3,552,684	3,512,216	3,515,966	3,503,022
67 Joint Stock Banks ..	3,409,987	2,503,290	2,488,992	2,460,877	2,466,622
254 Totals	8,290,376	6,055,974	6,001,208	5,976,843	5,969,644

Average Weekly Circulation of these Banks for the month ending August 12th:—

Private Banks	£3,520,990
Joint Stock Banks	2,479,951

Average Weekly Circulation of Private and Joint Stock Banks

ending as above £6,000,941

On a comparison of the above with the Returns for the Month ending 15th July last it shows—

A decrease in the Notes of Private Banks, of	£48,544
A decrease in the Notes of Joint Stock Banks, of	45,054

Total decrease on the Month £93,598

CIRCULATION RETURNS.

And, as compared with the Month ending the 14th August, 1847, it shows—

A decrease in the Notes of Private Banks, of £737,390

A decrease in the Notes of Joint Stock Banks, of 511,400

Total decrease, as compared with the same period of last year £1,248,790

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue £1,359,399

The Joint Stock Banks are below their fixed issue 930,036

Total BELOW the fixed issue..... £2,289,435

[In the *London Gazette* of the 8th August, the circulation of the *St. Alban's Bank* (Messrs. Storys), for the week ending the 29th July last, is stated as £7,045; but the fixed issue of this bank being £3,743, the amount has probably been mis-printed for £1,045. The return of the *Grantham Bank* (Messrs. Kewney and King) is omitted in the *Gazettes* of 15th and 22nd August; the bank itself not appearing at all in the *Gazette* since the last-mentioned date.]

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 12th day of August, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£5 and upwards.	Under £5.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	94,236	209,473	303,709	157,702
Royal Bank of Scotland ..	183,000	54,225	121,450	175,675	80,525
British Linen Company....	438,024	134,140	272,718	406,858	167,146
Commercial Bk. of Scotland	374,880	129,141	272,269	401,411	110,344
National Bank of Scotland	297,024	86,927	199,360	286,287	60,501
Union Bank of Scotland ..	327,223	89,053	195,325	284,377	92,151
Edinburgh & Glasgow Bk.	136,657	43,199	72,947	116,146	35,374
Banking Com. in Aberdeen	88,467	30,858	70,993	101,852	38,248
Aberdeen Town and Co. Bk.	70,133	25,351	55,181	80,532	15,007
North of Scotland Bk. Co.	154,319	46,653	83,800	130,454	17,665
Dundee Banking Company	33,451	7,672	19,782	27,454	5,463
Eastern Bank of Scotland..	33,636	9,403	19,571	28,974	6,479
Western Bank of Scotland	337,938	93,409	261,010	354,418	101,891
Clydesdale Banking Co. ..	104,028	22,490	76,049	98,539	27,068
City of Glasgow Bank	72,921	37,982	61,646	99,629	49,584
Caledonian Banking Co. ...	53,434	17,100	36,716	53,816	16,661
Perth Banking Company ..	38,656	13,060	30,926	43,986	10,349
Central Bank of Scotland..	42,933	10,306	31,479	41,786	10,353
TOTALS (Scotch Banks) ..	3,087,209	945,205	2,090,695	3,035,903	1,002,511

IRISH BANKS.

Bank of Ireland	3,738,428	1,785,825	853,175	2,639,000	756,454
Provincial Bank.....	927,667	284,362	360,245	644,607	335,874
Belfast Bank	281,611	37,257	146,049	183,306	100,605
Northern Bank.....	243,440	23,960	124,989	148,949	81,566
Ulster Bank	311,079	20,571	144,033	164,604	56,588
National Bank	761,757	193,826	298,573	492,399	219,559
Carrick-on-Suir Nat. Bank	24,084	2,533	4,316	6,850	3,353
Clonmel National Bank ..	66,428	15,240	18,349	33,589	16,544
TOTALS (Irish Banks)	6,354,494	2,363,574	1,949,729	4,313,304	1,570,543

CIRCULATION RETURNS.

SUMMARY OF IRISH AND SCOTCH RETURNS TO AUGUST 12th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 12th August last, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £4,313,304
Average Circulation of the Scotch Banks 3,035,903

Total Average Circulation of these Banks
for the past month £7,349,207

On comparing these amounts with the Returns for the month ending 16th July last, they show—

Decrease in the Circulation of Irish Banks £165,620
Decrease in the Circulation of Scotch Banks 70,742

Total decrease last month £236,362

And as compared with the month ending 14th August, 1847, they show—

Decrease in the Circulation of Irish Banks £783,911
Decrease in the Circulation of Scotch Banks 419,748

Total decrease on the year £1,203,659

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue .. £6,354,494
18 Banks in Scotland, allowed to issue 3,067,369

26 Banks in all, allowed to issue £9,441,783

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £2,041,199
Scotch Banks are below their fixed issue 81,366

Total below the fixed issue £2,092,496

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks £1,578,543
Gold and Silver held by the Scotch Banks 1,002,511

Total of Gold and Silver Coin £2,573,054

Being an increase of £6,145 on the part of the Irish Banks, and a decrease of £30,492 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO AUGUST 12th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 12th August, 1848.

Circulation of Notes for the Month ending August 12th, as compared with the previous month :

	July 15, 1848.	Aug. 12, 1848	Increase.	Decrease.
Bank of England.....	£18,153,966	£18,710,728	556,742	—
Private Banks	3,569,534	3,520,990	—	48,544
Joint Stock Banks	2,525,005	2,479,951	—	45,054
Total in England.....	24,248,525	24,711,669	463,144	—
Scotland.....	3,106,645	3,035,903	—	70,742
Ireland	4,478,924	4,313,304	—	165,620
United Kingdom.....	£31,834,094	32,060,876	226,782	—

The comparison of the month ending August 14, 1847, with the month ending August 12, 1848, shows a decrease in the Bank of England circulation of £74,162, a decrease in Private Banks of £737,390, and a decrease in Joint Stock Banks of £511,400; being a total decrease in England of £1,322,952: while in Scotland there is a decrease of £419,748; and in Ireland a decrease of £783,911. Thus showing that the month ending August 12th, as compared with the same period last year, presents a decrease of £1,322,952 in *England*, and a decrease of £2,526,611 in the *United Kingdom*.

The return of Bullion in the Bank of England for the month ending August 12th, gives an aggregate amount in both departments of £13,645,114. On a comparison of this with the Return for the month ending July 15th, there appears to be a decrease of £691,695; and as compared with the month ending August 14th, 1847, being the corresponding period last year, there is an increase of £4,234,803.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 12th August, was £2,573,054, being a decrease of £24,347, as compared with the preceding month, and a decrease of £137,175, as compared with the corresponding period last year.

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. Aug. 26th.	1848. Sept. 2nd.	1848. Sept. 9th.	1848. Sept. 16th.
Notes issued.....	£ 26,553,120	£ 26,883,505	£ 26,958,875	£ 27,198,740
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,984,000	2,984,000	2,984,000	2,984,000
Gold coin and bullion.....	12,677,973	12,177,567	12,402,140	12,663,887
Silver bullion.....	773,147	705,938	556,735	534,903
	26,553,120	26,883,505	26,958,875	27,198,740

BANKING DEPARTMENT.

	1848. Aug. 26th.	1848. Sept. 2nd.	1848. Sept. 9th.	1848. Sept. 16th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,556,666	3,626,382	3,628,667	3,631,710
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	4,866,374	5,021,591	5,460,328	6,196,421
Other deposits.....	8,715,882	8,834,607	8,771,338	8,730,767
Seven day and other bills.....	1,052,576	1,016,921	991,858	991,401
	32,746,518	33,342,501	33,605,191	34,303,299
Government securities (including Dead Weight Annuity).....	12,462,735	12,462,735	12,462,735	12,675,613
Other securities.....	10,899,000	11,366,814	11,320,639	11,492,375
Notes.....	8,734,240	8,784,795	9,114,210	9,511,370
Gold and silver coin.....	650,543	626,157	707,607	623,941
	32,746,518	33,342,501	33,605,191	34,303,299

The Exchanges.

	Sept. 1st.	Sept. 8th.	Sept. 15th.	Sept. 22nd.
Amsterdam, 3 months.....	12 1½	12 1½	12 1½	12 1½
Ditto at sight.....	11 19	11 13½	11 19½	11 19½
Rotterdam, short.....	12 1½	12 1½	12 3	12 2
Antwerp, 3 months.....	25 80	25 75	25 75	25 75
Hamburg, ditto.....	13 9½	13 10½	13 11½	13 11½
Paris, short.....	25 40	25 40	25 40	25 35
Paris, 3 months.....	25 70	25 70	25 70	25 70
Marseilles, ditto.....	25 80	25 75	25 75	25 70
Bordeaux, ditto.....	25 80	25 75	25 75	25 75
Frankfort, ditto.....	121½	121½	121½	121½
Vienna, ditto.....	11 10	11 0	11 6	10 65
Trieste, ditto.....	11 20	11 0	11 6	11
Madrid, ditto.....	46½	46½	46½	47½
Cadix, ditto.....	48½	48½	48½	48½
Leghorn, ditto.....	31 50	31 45	31 45	32 50
Genoa, ditto.....	26	25 90	25 95	26 5
Naples, ditto.....	38½	38½	38½	38½
Palermo, ditto.....	117	116½	116½	—
Messina, ditto.....	117	116½	116½	—
Lisbon, 60 days' date.....	51½	51½	51½	51½
Oporto, ditto.....	—	51½	51½	52
Rio Janeiro, ditto.....	—	—	—	—

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTE.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		August 19.	August 26.	Sept. 2.	Sept. 9.
	£	£	£	£	£
1 Andover Bank	17,751	11,629	13,068	11,813	11,514
2 Ashford Bank	11,849	9,880	9,820	9,069	10,813
3 Aylsham Bank	5,854	5,275	5,469	5,079	5,351
4 Aylesbury Old Bank	48,461	31,859	34,491	33,171	33,777
5 Baldock and Biggleswade Bank ..	37,223	24,353	24,467	23,562	24,312
6 Barnstaple Bank	17,182	9,957	10,639	9,927	10,012
7 Basingstoke and Odiham Bank....	24,730	16,414	16,690	16,783	16,952
8 Bedford Bank	34,218	27,651	28,379	29,016	29,552
9 Bedford and Bedfordshire Bank ..	8,515	5,572	5,733	5,867	6,113
10 Bewdley Bank	18,597	12,665	12,506	11,961	11,775
11 Bicester and Oxfordshire Bank....	27,090	13,761	12,949	13,040	13,272
12 Birmingham Bank—Attwoods & Co.	23,695	23,389	23,313	24,080	23,317
13 Birmingham and Warwickshire Bk.	18,132	13,621	12,988	13,130	13,274
14 Blandford Bank	9,723	6,434	6,227	6,100	6,113
15 Boston Bank—Garfit and Co.	75,069	62,238	61,890	60,599	59,981
16 Boston Bank—Gee and Co.	15,161	10,129	11,075	11,924	13,731
17 Bridgewater Bank	10,028	5,617	5,651	6,030	6,212
18 Bristol Bank	48,277	25,881	25,989	25,636	25,746
19 Broseley and Bridgenorth Bank ..	26,717	17,877	17,376	17,090	17,482
20 Buckingham Bank	29,657	20,542	21,512	20,924	21,400
21 Bury and Suffolk Bank	82,362	68,905	68,340	69,217	71,435
22 Banbury Bank	43,457	23,507	24,129	24,098	24,031
23 Banbury Old Bank	55,153	23,421	23,804	24,125	24,975
24 Bath City Bank	4,572	3,115	2,985	2,935	2,807
25 Bedfordshire Leighton Buzzard Bk.	36,829	29,009	29,373	29,253	30,411
26 Birmingham Bank—Taylor & Lloyds	38,816	28,485	28,744	27,735	27,683
27 Bradford Old Bank	12,676	12,061	11,234	10,434	9,719
28 Brecon Old Bank	68,271	51,670	52,121	53,317	50,989
29 Brighton Union Bank	33,794	26,005	26,520	26,559	26,151
30 Burlington and Driffield Bank	12,745	11,050	10,452	10,805	11,013
31 Bury St. Edmund's Bank	3,201	2,409	2,402	2,390	2,611
32 Bromsgrove Bank	16,799	11,147	11,435	10,950	11,276
33 Cambridge Bank—Mortlock & Son's	25,744	17,988	17,380	16,906	16,568
34 Cambridge and Cambridgeshire Bk.	49,916	45,375	46,737	48,515	49,805
35 Canterbury Bank	33,671	24,705	24,572	24,755	25,266
36 Carmarthen Bank	23,597	15,348	14,941	14,314	14,473
37 Chertsey Bank	3,436	3,081	2,781	2,527	2,599
38 Colchester Bank	25,082	15,620	15,297	15,742	15,759
39 Colchester and Essex Bank	48,704	32,765	32,309	33,070	32,555
40 Cornish Bank	49,869	32,491	33,237	32,944	32,455
41 Coventry Bank	12,045	7,649	7,296	6,856	6,886
42 City Bank, Exeter	21,527	17,170	16,440	15,476	15,085
43 Craven Bank	77,154	64,445	64,916	66,679	67,425
44 Christchurch Bank	2,840	2,009	1,943	1,814	1,791
45 Cardiff Bank	7,001	5,686	5,943	5,956	6,355
46 Chepstow Old Bank	9,387	7,659	7,515	7,925	7,492
47 Derby Bank—Messrs. Evans	13,332	11,664	12,544	12,394	12,557
48 Derby Bank—Smith and Co.	41,304	30,096	29,968	29,862	30,475
49 Derby Old Bank	27,237	24,046	23,297	22,504	23,299
50 Devizes and Wiltshire Bank	20,674	10,709	11,025	11,015	11,313
51 Diss Bank	10,657	10,531	10,338	10,430	10,570
52 Doncaster Bank and Retford Bank	77,400	57,375	56,819	57,963	58,446
53 Darlington Bank	86,218	62,774	62,117	63,395	63,384

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		August 19.	August 26.	Sept. 2.	Sept. 9.
	£	£	£	£	£
54 Devonport Bank	10,664	10,657	10,065	10,396	10,285
55 Dorchester Old Bank	48,807	41,443	39,695	37,929	37,847
56 East Cornwall Bank	112,280	74,180	77,749	78,660	81,321
57 East Riding Bank	53,392	42,109	42,437	41,422	41,294
58 Essex Bk. & Bishops Stortford Bk.	69,637	41,140	40,125	40,669	41,687
59 Exeter Bank	37,894	25,153	23,885	24,562	24,255
60 Fakenham Bank	24,293	18,592	18,733	18,806	19,504
61 Faringdon Bank & Bk. of Wantage	8,977	4,644	4,515	4,487	4,639
62 Farnham Bank	14,202	10,689	10,869	10,424	9,970
63 Faversham Bank	6,681	5,033	4,954	4,820	4,825
64 Godalming Bank	6,322	5,036	5,371	5,154	5,253
65 Grantham Bank—Kewney & King	19,401				
66 Guildford Bank	14,524	10,447	10,240	10,127	9,677
67 Grantham Bank—Hardy & Co. . .	30,372	23,573	21,963	20,760	21,010
68 Hastings Old Bank	38,038	19,773	19,684	18,950	19,296
69 Hereford City and County Bank . .	22,364	23,755	12,859	12,823	13,263
70 Hertford and Ware Bank	23,635	13,116	12,480	12,633	12,422
71 Hull & Kingston-upon-Hull Bank	19,979	17,130	17,216	18,208	17,825
72 Huntingdon Town & County Bank	56,591	37,814	39,038	41,509	43,734
73 Harwich Bank	5,778	4,238	4,167	4,216	4,389
74 Hemel Hempstead Bank	23,842	19,629	19,495	19,531	19,553
75 Hertfordshire, Hitchin Bank . . .	38,764	29,779	29,768	30,651	31,118
76 Hereford, Ross, & Archenfield Bk.	27,625	19,980	19,615	19,625	19,292
77 Ipswich Bank	21,901	18,947	19,800	20,338	21,093
78 Ipswich & Needham Market Bank	80,699	66,535	66,900	68,704	70,429
79 Kentish Bank	19,895	9,376	9,227	10,160	10,064
80 Kingston and Radnorshire Bank . .	26,050	19,574	19,488	19,371	18,904
81 Knighton Bank	9,090	4,790	5,740	5,709	5,619
82 Knaresborough Old Bank	21,825	16,456	16,724	17,318	17,296
83 Kendal Bank	44,663	33,834	33,758	34,389	34,352
84 Kettering Bank	9,192	6,402	5,738	6,070	6,343
85 Lane End Staffordshire Bank . . .	5,624	5,305	5,210	5,211	5,276
86 Leeds Bank	53,357	43,280	42,590	42,523	41,914
87 Leeds Union Bank	37,459	35,455	34,598	34,120	36,275
88 Leicester Bank	32,322	20,738	22,315	21,053	21,063
89 Lewes Old Bank	44,836	29,774	29,535	29,853	29,599
90 Lichfield Bank	22,786	17,777	17,827	18,552	17,838
91 Lincoln Bank	100,342	74,322	73,911	73,305	72,844
92 Llandoverly Bank & Llandilo Bank	32,945	25,505	27,963	27,222	27,000
93 Loughborough Bank	7,359	6,035	5,749	5,839	5,906
94 Lymington Bank	5,038	3,513	3,298	3,030	3,182
95 Lynn Regis and Lincolnshire Bank	42,817	36,985	36,154	37,192	37,297
96 Lynn Regis and Norfolk Bank . .	13,917	13,409	13,382	14,039	14,038
97 Macclesfield Bank	15,760	10,723	10,354	9,984	10,106
98 Manningtree Bank	7,692	5,011	5,126	5,117	5,042
99 Marlborough Bank	19,073	11,428	12,069	12,616	11,885
100 Marlboro & North Wiltsh. New Bk.	12,490	7,021	7,307	7,115	7,410
101 Merionethshire Bank	10,906	5,790	5,155	5,103	5,391
102 Miners' Bank	18,688	12,844	13,037	12,809	12,678
103 Monmouthsh. Agricul. & Com. Bk.	29,335	22,036	22,695	22,696	23,323
104 Monmouth Old Bank	16,385	12,634	12,507	12,517	13,370
105 Monmouthshire Newport Old Bank	8,600	8,960	8,199	7,721	7,744
106 Newark Bank	28,788	17,434	17,960	17,183	17,300
107 Newark and Sleaford Bank	51,615	43,845	43,316	43,393	43,930
108 Newbury Bank	36,787	21,705	20,798	21,380	21,711
109 Newmarket Bank	23,098	16,813	17,080	17,495	17,652
110 Norfolk and Suffolk Bank	4,551	2,061	2,087	2,062	2,322
111 Norwich Crown Bank	45,120	38,795	37,672	38,165	40,867

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		August 19.	August 26.	Sept. 2.	Sept. 9.
	£	£	£	£	£
112 Norwich and Norfolk Bank	75,372	61,516	61,625	62,930	64,230
113 Nottingham & Nottinghamsh. Bk.	10,866	7,463	7,914	7,720	7,720
114 Nuneaton Bank	5,898	3,904	3,989	4,142	4,128
115 Naval Bank, Plymouth	27,321	20,475	21,106	22,012	21,600
116 New Sarum Bank	15,659	12,101	10,738	10,861	10,487
117 Nottingham Bank	31,047	24,645	23,382	24,574	25,061
118 Oswestry Bank	18,471	10,676	10,519	10,730	11,244
119 Oxford Bank	14,277	8,675	8,190	7,821	7,826
120 Oxford Old Bank	34,391	27,813	26,192	25,820	23,940
121 Old Bank Tonbridge	13,183	6,545	6,514	6,375	6,789
122 Oxfordshire Witney Bank	11,852	6,670	6,669	7,127	7,382
123 Pease's Old Bank, Hull	48,807	40,362	39,961	40,319	39,824
124 Penzance Bank	11,405	9,122	9,344	9,586	9,415
125 Peterborough Bank—Yorke & Co.	12,545	8,556	8,628	8,636	8,120
126 Peterborough Bk.—Simpson & Co.	12,832	9,335	9,107	9,925	11,011
127 Pembrokeshire Bank	12,910	7,202	6,808	6,447	8,100
128 Reading Bank—Simmonds & Co.	37,519	27,530	26,853	26,470	25,992
129 Reading Bank—Stephens & Blandy	43,271	24,643	24,880	25,297	25,320
130 Richmond Bank, York	6,889	4,088	4,156	3,992	4,600
131 Ringwood and Poole Bank	11,856	8,524	8,238	7,454	7,440
132 Rochdale Bank	5,590	5,273	5,373	5,243	5,220
133 Rochester, Chatham, & Strood Bk.	10,480	8,297	8,925	8,736	8,211
134 Royston Bank	16,393	12,843	12,790	13,184	13,227
135 Rugby Bank	17,250	10,300	11,044	10,232	10,727
136 Rye Bank	29,864	12,166	12,612	12,790	13,004
137 Reigate and Dorking Bank	13,700	11,205	11,041	11,154	10,970
138 Ross Old Bank, Herefordshire	7,420	4,169	4,090	4,053	4,310
139 Saffron Walden & North Essex Bk.	47,646	27,537	36,338	25,441	25,227
140 Salop Bank	22,338	11,933	12,319	11,992	11,600
141 Scarborough Old Bank	24,813	20,060	20,283	20,551	21,200
142 Shrewsbury Old Bank	43,191	25,453	26,381	25,645	25,827
143 Sittingbourne and Milton Bank	4,789	2,382	2,504	2,549	2,430
144 Southampton Town & County Bk.	18,589	12,134	11,575	11,975	12,240
145 Southwell Bank	14,744	10,715	11,373	11,801	11,700
146 St. Albans Bank	3,743	864	847	909	900
147 Southampton and Hampshire Bank	6,770	3,478	3,310	3,365	3,220
148 Stone Bank	9,154	4,157	4,181	3,944	3,800
149 Stourbridge Bank	17,295	13,863	13,325	13,607	13,154
150 Stafford Old Bank	14,166	12,887	12,893	13,542	14,100
151 Stamford and Rutland Bank	31,858	23,622	24,005	24,447	25,566
152 Stourbridge Old Bank	17,560	16,878	17,596	17,763	16,990
153 Shrewsbury and Welsh Pool Bank	25,336	17,525	16,607	16,926	17,800
154 Taunton Bank	29,799	18,922	18,979	19,479	19,500
155 Tavistock Bank	13,421	8,057	8,283	8,163	8,200
156 Thornbury Bank	10,026	6,531	6,620	6,116	6,500
157 Thverton and Devonshire Bank	13,470	7,276	7,180	6,885	6,500
158 Thrapstone and Kettering Bank	11,559	9,930	9,943	10,559	11,100
159 Tring Bank and Chesham Bank	13,531	11,002	10,875	11,189	11,100
160 Towcester Old Bank	10,801	7,133	7,247	7,500	7,490
161 Union Bank, Cornwall	17,003	6,720	6,023	7,180	7,110
162 Uxbridge Old Bank	25,136	17,225	17,338	17,512	17,000
163 Wallingford Bank	17,064	6,415	6,460	6,222	6,000
164 Warwick and Warwickshire Bank	30,504	20,692	20,428	20,487	20,100
165 Wellington Bank, Somerset	6,528	3,105	2,863	2,846	2,400
166 West Riding Bank	46,158	38,305	39,239	41,438	42,100
167 Whitby Old Bank	14,258	11,341	11,070	10,901	11,200
168 Winchester, Alresford & Alton Bk.	25,892	22,120	22,051	21,364	20,600
169 Winchester and Hampshire Bank	6,737	3,840	3,666	3,758	3,800

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		August 19.	August 26.	Sept. 2.	Sept. 9.
	£	£	£	£	£
170 Weymouth Old Bank	16,461	12,270	11,856	11,748	11,390
171 Wirksworth and Derbyshire Bank	37,602	27,281	26,400	27,013	26,533
172 Wisbech and Lincolnshire Bank..	59,713	50,213	48,435	49,415	53,508
173 Wiveliscombe Bank.....	7,602	5,457	5,315	5,514	5,429
174 Wolverhampton Bank—Goodricke & Co.	14,180	13,513	13,960	13,135	13,053
175 Worcester Bank	15,463	8,979	8,836	8,782	8,623
176 Worcester Old Bank	87,448	66,351	65,947	66,034	66,767
177 Worcestershire Bank	14,309	10,626	10,382	10,053	10,991
178 Walsall Old Bank	19,937	6,340	5,902	5,649	5,378
179 Warminster and Wiltshire Bank..	24,896	12,603	12,329	12,002	11,687
180 Wrexham Bank	3,289	152	150	146	145
181 Wolverhampton Bank—R. & W. Fryer	11,867	9,554	9,511	9,780	10,316
182 Yarmouth and Suffolk Bank	53,060	40,005	39,216	40,180	42,768
183 Yarmouth, Norfolk, & Suffolk Bk.	13,229	10,381	11,114	11,266	11,882
184 Yeovil Old Bank	10,033	6,307	6,295	6,387	6,436
185 York Bank	46,387	38,430	38,323	38,751	38,457

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	7,641	7,411	7,418	7,440
2 Barnsley Banking Company	9,563	7,187	7,014	7,454	7,769
3 Bradford Banking Company.....	49,292	40,246	42,320	41,719	42,937
4 Bilston District Banking Company	9,418	8,695	8,613	8,723	8,964
5 Bank of Whitehaven.....	32,681	24,696	25,460	25,444	24,822
6 Bradford Commercial Banking Co.	20,084	18,301	17,604	17,330	16,990
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	39,247	40,073	39,502	39,780
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	7,782	7,400	6,991	6,944
9 Cumberland Union Banking Co. . .	35,395	26,950	27,301	25,803	25,841
10 Cheltenham & Glo'stershire Bk. Co.	12,786	9,209	9,045	9,026	9,123
11 Coventry & Warwickshire Bk. Co.	28,734	19,330	19,417	19,130	19,740
12 Coventry Union Banking Company	16,251	11,547	11,456	11,325	11,492
13 County of Gloucester Banking Co.	144,352	88,410	88,515	88,260	88,679
14 Carlisle & Cumberland Banking Co.	25,610	22,068	21,150	21,770	20,495
15 Carlisle City and District Bank. . .	19,972	17,671	16,320	17,191	16,547
16 Dudley & West Bromwich Bkg. Co.	37,696	35,264	35,931	36,918	38,719
17 Derby and Derbyshire Banking Co.	20,093	15,069	15,548	16,408	15,346
18 Darlington Dist. Joint Stock Bk. Co.	26,134	17,123	16,725	16,645	17,175
19 East of England Bank	25,025	24,394	24,243	24,460	26,412
20 Gloucestershire Banking Company	155,920	122,074	121,127	122,159	125,478
21 Halifax Joint Stock Bank.....	18,534	12,393	12,379	12,676	12,212
22 Huddersfield Banking Company ..	37,354	35,044	33,161	31,735	32,678
23 Hull Banking Company	29,333	21,695	22,343	22,009	21,693
24 Halifax Commercial Banking Co. . .	13,733	8,407	8,380	7,957	7,584
25 Halifax & Huddersfield Union Bank	44,137	34,374	31,901	29,063	28,746
26 Helston Banking Company	1,503	1,475	1,526	1,521	1,429
27 Herefordshire Banking Company..	25,047	15,864	15,615	16,099	17,385
28 Knaresborough and Claro Bkg. Co.	28,059	18,657	18,395	19,043	18,740
29 Kingsbridge Joint Stock Bank	3,952	2,628	2,719	2,703	2,823
30 Lancaster Banking Company	64,311	44,851	43,962	44,412	44,033
31 Leeds Banking Company	23,076	23,670	24,110	22,102	22,390
32 Leicestershire Banking Company..	86,060	58,243	59,673	60,890	61,003
33 Lincoln and Lindsey Banking Co.	51,620	49,525	50,182	51,970	49,975
34 Leamington Priors & Warwicksh. Bk.	13,875	8,887	8,445	8,524	8,920
35 Ludlow and Tenbury Bank	10,215	6,964	8,229	8,441	8,750

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issues.	AVERAGE AMOUNT.			
		August 19.	August 26.	Sept. 2.	Sept. 9.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	20,951	20,980	20,233	20,177
37 Nottingham and Notts. Banking Co.	29,477	21,075	21,657	22,238	22,385
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	3,482	3,385	3,271	3,111
39 National Provincial Bk. of England	442,371	339,075	337,038	336,864	347,254
40 North Wilts Banking Company ..	63,939	43,780	42,500	44,482	45,221
41 Northamptonshire Union Bank ..	84,356	60,088	61,660	65,131	66,901
42 Northamptonshire Banking Co. ...	26,401	19,066	18,828	19,228	19,568
43 North and South Wales Bank	63,951	20,056	19,047	19,558	20,101
44 Pare's Leicestershire Banking Co. ...	59,300	35,949	36,605	34,835	34,585
45 Saddleworth Banking Company ..	8,122	1,845	1,728	1,888	2,001
46 Sheffield Banking Company	35,843	35,618	35,430	35,371	34,901
47 Stamford, Spalding & Boston Bk. Co.	55,721	45,412	46,276	46,315	48,545
48 Stuckey's Banking Company	356,976	237,986	240,657	242,281	247,711
49 Shropshire Banking Company	47,951	34,569	34,864	39,041	37,719
50 Stourbridge and Kidderminster Bk.	56,830	47,200	47,647	48,479	48,407
51 Sheffield and Hallamshire Bank ..	23,524	17,199	18,489	18,062	18,199
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	49,380	49,395	50,767	51,077
53 Swaledale and Wensleydale Bank ..	54,372	35,283	35,389	35,246	35,471
54 Storey's and Thomas's Bank	9,714	8,642	8,902	9,123	9,201
55 Sheffield and Retford Bank	18,744	829	825	785	791
56 Wolverhampton & Staffordsh. Bank	35,378	31,917	33,967	33,955	34,555
57 Wakefield and Barnsley Union Bank	14,604	11,515	11,615	11,694	11,555
58 Whitehaven Joint Stock Bank	31,916	21,760	21,835	21,375	21,755
59 Warwick and Leamington Bkg. Co.	37,124	27,189	27,003	26,377	29,181
60 West of England and South Wales District Bank	83,535	64,485	63,652	63,670	66,077
61 Wilts and Dorset Banking Company	76,162	62,005	60,363	60,407	59,677
62 West Riding Union Banking Co. ...	34,029	25,100	24,948	23,777	22,574
63 Whitchurch and Ellesmere Bkg. Co.	7,475	2,191	2,385	2,614	3,257
64 Worcester City & County Bkg. Co.	6,848	4,869	4,527	5,456	5,177
65 York Union Banking Company ..	71,240	60,733	60,049	59,010	62,603
66 York City and County Banking Co.	94,695	73,743	72,497	74,192	75,772
67 Yorkshire Banking Company	122,532	87,267	87,828	90,009	94,944

Summary of the above Returns.

	Fixed Issues.	August 19.	August 26.	Sept. 2.	Sept. 9.
	£	£	£	£	£
187 Private Banks	4,880,389	3,472,398	3,473,839	3,478,828	3,516,215
67 Joint Stock Banks ..	3,409,987	2,457,840	2,455,664	2,465,555	2,508,501
254 Totals	8,290,376	5,930,238	5,929,503	5,944,383	6,025,014

Average Weekly Circulation of these Banks for the month ending September 9th—

Private Banks	£3,485,319
Joint Stock Banks	2,471,965

Average Weekly Circulation of Private and Joint Stock Banks

ending as above £5,957,284

On a comparison of the above with the Returns for the Month ending 12th August last, it shows—

A decrease in the Notes of Private Banks, of	£35,671
A decrease in the Notes of Joint Stock Banks, of	7,986

Total decrease on the Month £43,657

CIRCULATION RETURNS.

And, as compared with the Month ending the 11th September, 1847, it shows—

A decrease in the Notes of Private Banks, of £690,455

A decrease in the Notes of Joint Stock Banks, of 482,319

Total decrease, as compared with the same period of last year £1,172,774

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue £1,395,070

The Joint Stock Banks are below their fixed issue 938,022

Total BELOW the fixed issue..... £2,333,092

In the Returns of Circulation of the Banks of Issue in England and Wales for the week ending 26th Aug. ult., published in the *London Gazette* of the 5th Sept., the amount of circulation of the Weymouth Bank (Messrs. *Elliot & Pearce*) is stated at £61,856, in error, in place of £11,856, which was the correct amount. We detected the error in the *Gazette* in preparing the above summary of the English Banks, and have made allowance for the amount.

NOTICE.—With reference to a suggested alteration in the mode of publishing these Weekly Returns of Circulation, referred to last month, we beg to state that, our correspondents being unanimously against any alteration, we shall continue to publish the Returns in exactly the same form as heretofore, unless we find that any addition can be made to them with advantage.

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 9th day of September, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	92,430	205,082	297,512	158,002
Royal Bank of Scotland ..	183,000	53,425	119,467	172,892	77,829
British Linen Company....	438,024	120,850	266,408	387,258	166,063
Commercial Bk. of Scotland	374,880	128,918	278,902	407,820	97,824
National Bank of Scotland	297,024	81,322	196,750	278,073	59,475
Union Bank of Scotland ..	327,223	95,678	194,189	289,866	90,855
Edinburgh & Glasgow Bk.	136,657	46,456	73,423	119,879	29,875
Banking Com. in Aberdeen	88,467	28,928	70,237	99,165	38,040
Aberdeen Town and Co. Bk.	70,133	25,597	57,781	83,378	15,836
North of Scotland Bk. Co.	154,319	48,858	87,571	136,429	13,360
Dundee Banking Company	33,451	8,103	19,724	27,828	5,119
Eastern Bank of Scotland..	33,636	9,644	21,201	30,845	6,401
Western Bank of Scotland	337,938	94,839	260,308	355,147	93,584
Clydesdale Banking Co. ..	104,028	20,410	75,572	95,982	26,587
City of Glasgow Bank	72,921	40,622	62,748	103,371	50,971
Caledonian Banking Co. ..	53,434	16,848	37,863	54,712	16,833
Perth Banking Company ..	38,656	11,576	30,033	41,610	11,865
Central Bank of Scotland..	42,933	10,078	29,461	39,540	10,863
TOTALS (Scotch Banks) ..	3,087,209	934,582	2,086,720	3,021,307	969,382

IRISH BANKS.

Bank of Ireland	3,738,428	1,757,550	826,275	2,583,825	758,797
Provincial Bank.....	927,667	263,892	362,083	625,974	320,182
Belfast Bank	281,611	34,137	156,653	190,790	97,673
Northern Bank	243,440	25,515	127,417	152,932	82,723
Ulster Bank	311,079	18,961	154,964	173,925	52,222
National Bank	761,757	188,650	307,098	495,748	211,748
Carrick-on-Suir Nat. Bank	24,084	3,047	4,980	8,027	4,244
Clonmel National Bank ..	66,428	15,975	18,084	34,059	16,041
TOTALS (Irish Banks)	6,354,494	2,307,727	1,957,554	4,265,280	1,543,630

CIRCULATION RETURNS.

SUMMARY OF IRISH AND SCOTCH RETURNS TO SEPTEMBER 9th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 9th September last, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £4,365,280
Average Circulation of the Scotch Banks 3,021,307

Total Average Circulation of these Banks
for the past month £7,386,587

On comparing these amounts with the Returns for the month ending 12th August last, they show—

Decrease in the Circulation of Irish Banks £48,024
Decrease in the Circulation of Scotch Banks 14,596

Total decrease last month £62,620

And as compared with the month ending 11th September, 1847, they show—

Decrease in the Circulation of Irish Banks £783,030
Decrease in the Circulation of Scotch Banks 476,318

Total decrease on the year £1,259,348

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue .. £6,354,494
18 Banks in Scotland, allowed to issue 3,067,369

26 Banks in all, allowed to issue £9,441,763

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £3,009,214
Scotch Banks are below their fixed issue 63,982

Total below the fixed issue £3,151,116

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks £1,543,690
Gold and Silver held by the Scotch Banks 909,383

Total of Gold and Silver Coin £2,513,013

Being a decrease of £26,913 on the part of the Irish Banks, and a decrease of £33,129 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO SEPTEMBER 9th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 9th September, 1848.

Circulation of Notes for the Month ending September 9th, as compared with the previous month :

	Aug. 12, 1849	Sept. 9, 1848.	Increase.	Decrease.
Bank of England.....	£18,710,728	£18,093,898	—	616,830
Private Banks	3,520,990	3,493,319	—	27,671
Joint Stock Banks	2,479,951	2,471,965	—	7,986
Total in England.....	24,711,669	24,061,182	—	650,487
Scotland.....	3,035,903	3,021,307	—	14,596
Ireland.....	4,313,304	4,265,280	—	48,024
United Kingdom.....	32,060,876	31,337,769	—	723,107

The comparison of the month ending September 11, 1847, with the month ending September 9, 1848, shows a decrease in the Bank of England circulation of £8,691, a decrease in Private Banks of £690,455, and a decrease in Joint Stock Banks of £482,319; being a total decrease in England of £1,181,465: while in Scotland there is a decrease of £176,218; and in Ireland a decrease of £783,030. Thus showing that the month ending September 9th, as compared with the same period last year, presents a decrease of £1,181,465 in England, and a decrease of £2,440,713 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending September 9th, gives an aggregate amount in both departments of £13,512,838. On a comparison of this with the Return for the month ending August 12th, there appears to be a decrease of £132,276; and as compared with the month ending August 14th, 1847, being the corresponding period last year, there is an increase of £4,449,511.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 9th September, was £2,513,012, being a decrease of £60,042, as compared the preceding month, and a decrease of £116,996, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE ;

AND

Journal of the Money Market.

NOVEMBER, 1848.

REVIEW OF THE RECENT PARLIAMENTARY ENQUIRY ON THE COMMERCIAL DISTRESS OF 1847.

WE have already laid before our readers, in the compass of two supplemental numbers, the more important portions of the evidence taken before the Lords' and Commons' Committees of last session, on the commercial catastrophes of 1847. We believe there is little call for apology in again recurring to a subject which so intimately concerns the interests of the mercantile, and especially of the banking portion of the public ; and if apology were needed, it is readily at hand in the present posture of the controversy. For it is not to be permitted that an enquiry, conducted with so much care—resulting in the collection of evidence of so conclusive a character—and signalised by the adoption of the most important parliamentary report (that of the Lords' Committee), which has appeared upon the subject since 1819, and that report distinctly in opposition to the present law—should be converted into a weapon of offence in behalf of those very opinions which this occasion, and these materials, have done so much to invalidate.

This somewhat arduous feat, however, has been attempted by the writer of a series of papers in the *Morning Chronicle*, during the month of October (1848) ; and we must confess that we have rarely met with a controversialist who has conducted a case beset by so many weaknesses with more adroitness or in better temper. That the deliverance of the Act of 1844 from its imminent perils has yet to be accomplished, in spite of the courageous intervention of our contemporary, cannot, with any show of reason, be construed into a fault against himself. He has done his best to redeem a desperate position, and the bravest of mankind cannot gain a victory in the face of a defeat already fatal.

Beyond these general commendations of a skill which is always dexterous, and a moderation seldom interrupted by presumption, we cannot in fairness proceed. The creed adopted by the *Chronicle* is extreme, without being new, and comprehensive, without being well founded. It collects into one eclectic thesis all the errors and attempted emendations of the currency party, with which the debates of the winter of 1847 had rendered us familiar; and while it includes in its curious mosaic the random opinions of Sir Charles Wood, the plausibilities of Sir Robert Peel, the elaborations of Mr. Loyd, and the desperate dogmatisms of the present Governor of the Bank, we cannot perceive that, by the addition of any new and felicitous article of its own, the *Chronicle* has introduced consistency and agreement into a collection of fragments so decidedly heterogeneous.

Admonished by this warning, the reader will peruse the following outline of our contemporary's opinions without surprise.

It is contended, in the first place, that the obnoxious statute had solely and emphatically one object, and only one, and that this paramount aim of its machinery and its solicitude was to preserve the instant convertibility of the note into gold, according to the interest or the caprice of the holder;—that it never was the intention or the profession of the new law to supersede or abridge the discretion of the Directors of the Bank of England;—that it cannot, therefore, be a just allegation against that law that, during 1844 and 1845 and 1846, and the early part of 1847, it released the banking department of the bank from restraints which former experience had shown to be wise, and which the sequel of these years has so clearly proved to have been, during their continuance, especially required;—that, from the very dawn of that new economy, of which the law of 1844 is so accurate an expression and so congenial an offspring, none other views but these have been at any time entertained; and from first to last the functions of the circulation, the controlling power of the banking reserve, and all the consequences of the division of departments, as the events of three years have unfolded them in their full development, may be read as explicitly in the early as in the last expositions of the new monetary dispensation.

To a writer who contents himself with assertion, we do not know that anything beyond assertion is due. It is certain that, in this instance, the *Chronicle* has not given us anything stronger than statement, or more conclusive than amplification; and it is reasonable to infer that that which has been fortified by no authority, has been supposed to stand in danger of no contradiction. For the cause adopted by the *Chronicle* this is an omission something more than inconvenient, and we entertain a strong

impression that it will neither be a long nor a difficult task to show that the opinions we have described can only proceed upon a remarkable omission, or a still more remarkable misinterpretation, of very plain and very notorious circumstances.

To refer, in the first instance, to the circumscribed and single purpose now attached to the Act of 1844. That the Bank Bill of that year proposed to itself a wider and more ambitious object than simply guaranteeing the convertibility of the note, cannot be questioned for a moment by any man who will consult those famous speeches of Sir Robert Peel, on the 6th of May, 1844, and the 3rd of December, 1847. In the first he will find a peroration which must be regarded as an Ossianic extravagance, if the gloss of the *Chronicle* is to be admitted; and in the second he will find a passage which, in express language, describes the "triple object of the Act of 1844," and confesses that in one of its three objects it has emphatically failed. Nor, on the other hand, is there more room for scepticism as to the intended influence of the new law upon the *Banking* management of the Bank of England. In that same expository speech of the 6th of May, 1844, the orator congratulates his audience upon the advent of a period when the great national Bank should be added to the list of competitors in the city of London; and that as the law was about to take charge of the circulation, and as it was only through the circulation that mischief could arise, this "unrestricted competition," this enforcement of the "most favourable terms for the public" (we quote what we read in the corrected speech), might be safely and prudently permitted. Conceived in the same spirit, and urged with the same confidence, were the assurances of Mr. Jones Loyd, that in the approaching monetary millenium nothing could go wrong, because there was happily in force a "law, self-acting, and patent to everybody" (*Thoughts &c.*, 1844, p. 21), and of Colonel Torrens, who, with his usual predilection for an extreme opinion, did not hesitate to predict that future Bank irregularities would be reduced to *nil*.

Proceeding to the third section of the *Chronicle's* assumption, we have, if that be possible, even stronger evidence against it than in either of the two preceding cases. The *Chronicle* affirms that the law of 1844 did *not* encourage the Bank directors to reduce the rate of interest to a lower point, to enter upon a more unflinching competition with the bill-brokers, and to regulate their whole conduct entirely upon the basis that the Bank of England was no longer a national but a mere joint-stock bank, straining after the plaudits of a proprietary anxious only for profit. This is a hardy assertion. It is an assertion we will disprove, but which we will not characterise. There is, first of all, the notorious fact, that from September

1844, to October, 1847, the Bank of England did carry on a vigorous and pernicious competition with the discount houses. The evidence of Mr. Gurney, and the admission of Mr. Palmer, himself a bank director (see Lords Rep., Q. 608), are decisive on this point. In truth, we are not sure that the *Chronicle* has ventured to deny the fact of mischievous competition; but it demurs to the authorship. There can be no demur about it. Mr. Palmer tells you that, in 1844, he read and believed the new law to sanction, if not to command, the new line of conduct. Mr. Gurney says the same thing. Mr. Tooke reiterates the evidence of Mr. Gurney; and, finally, it is a matter of perfect notoriety that the passing of a certain Act was the signal for certain changes—that these changes were not simply unrebuked, but were expressly applauded by the framers of that Act, and that no disclaimers were made and no question raised as to the relation of cause and effect between the two things, until the occurrence of certain momentous events. We are at a loss to perceive where lies the difficulty, or where fails the sequence; and for all ordinary purposes the case might rest where the preceding sentence has left it. But it shall not rest there. Mr. Palmer, in common with all the practical witnesses, complains especially of the reduction of the rate of interest in September, 1844 (the Act came into operation on the 1st of that month), from 4 to $2\frac{1}{2}$ per cent. per annum, and the adoption of a *minimum* rate of $2\frac{1}{2}$ per cent. for all classes of securities in the month of March following (1845). This was the palpable commencement of the new career. It was regarded as such at the time in all the city articles of the daily press. The change, therefore, did not originate in a corner, and was not carried out in the dark, and did not fail to excite observation. The truth is that it was *the* city event of half a year. It was known, therefore, to the government of Sir Robert Peel. Did it then excite their displeasure, or provoke their remonstrance, or, in any shape, meet with a hostile reception? So far from it, Sir Robert Peel, on the 25th April, 1845, took occasion to congratulate the House of Commons, that *up to that time, the experience which the country had had of the Bank Act of the previous year had been decidedly in its favour.*

In the face of this passage, we have no more to say upon that point.

There then remains the fourth postulate of the *Chronicle*, which affirms a perfect consistency in the views and expectations of the currency party, from the date of their statute downwards.

It will be quite sufficient, in reply to this assumption, if we request our readers to compare together the dicta of Sir R. Peel, on the 6th May, 1844, where he exhorts the Bank of England to imitate Messrs. Overend and Co., and his dicta of the 30th April

1847, where he turns the circumstance of this imitation into a subject of serious accusation. Either the exhortation or the rebuke must have been delivered in error. For our present purpose, we have not to inquire which of them was right. We are quite content to prove that they are not consistent. The same principle of collation may be usefully extended to the speeches of Sir Charles Wood, especially to that exquisite episode of the 26th of April, 1847, where he invoked the *spirit* of the Bank Bill to visit the consciences of the Bank Directors, for not having reduced their *outstanding* circulation of £20,426,000* to the extent of £7,037,000, seeing that the bullion had been diminished by the latter sum. There is next the ingenuous confession of Mr. (now Sir Francis) Baring, on the 3rd of December, 1847, that he had never expected to find the new law operate as it had done, and that in the whole of the discussions of 1840 and 1844, he could "not find two sentences" which referred to the important question of the Banking reserve—the question which has become the Aaron's rod of the whole matter, for it has swallowed up nearly all the minor difficulties and smaller surprises. And, finally, there is the following extraordinary admission in the evidence of Mr. Cotton, the governor of the Bank in 1844, and the active coadjutor of the Government in the change of that year. The *naïve* ingenuousness of Mr. Cotton, as to what he expected and what has come to pass, is in the highest degree remarkable. We quote the Commons' Report.

"3994. You were prepared to find that the amount of notes in the hands of the public would vary little under the operation of the exchanges? Answer:—*I think I was; but it was not a subject which attracted my particular attention.*

"3995. At all rate it has not surprised you? Answer:—It did not create in me that surprise which others have expressed.

"3996. It is perfectly consistent with what you expected from the working of the Act? Answer:—*I have great difficulty in saying exactly what I expected.*"

We have no doubt of it; and if some two or three more of the coadjutors of Mr. Cotton would frankly make a clean conscience of it by a plain confession, as he has done, we are quite sure that their candour would conduce to their reputation, infinitely more than their attempts to regulate the amount of a convertible currency.

Leaving these eccentricities of the *Chronicle*, which refer rather to matters of fact than questions of speculation—which are confusions of history more than flaws of reasoning—we may notice, in the next place, his inability to comprehend the doctrines of Mr. Tooke. Our contemporary accepts, with a fullness most honourable to his consistency, the extreme notions of the

* These are the literal figures quoted by Sir Charles Wood.

currency party. He can conceive no medium through which prices are governed, and the foreign exchange determined, except an actual outstanding amount of coin and bank notes;—he can understand no mode of conducting all that part of the business of a banker which consists in discounts and loans, except by the issue of actual bank notes;—and he has not the vestige of a doubt, that a Bank of Issue can as easily *push out* its notes as it can order them to be printed. If these principles of currency are false, the *Chronicle* inquires with considerable confidence, how the equilibrium of bullion prices between one country and another is maintained, and how it comes to pass, that, in actual fact, the distribution of the precious metals is so accurately apportioned to the wants, the opulence, and the trade of the commercial nations of the world. In a few words, the *Chronicle* contends that gold and silver are money, and that bank notes are also money—that the relation of commodities to money, or price, depends, on one side at least, upon the quantity of money in the hands of the consumers—and that if, as is admitted by all authorities on the subject, an increase of productiveness in the mines would increase prices throughout the world, then, *pro tanto*, an increase of bank notes or paper money, in some individual island or some particular state, will increase the prices of that island or of that state.

We will endeavour to assist the *Chronicle* over a difficulty, which is in a fair way of becoming the *pons asinorum* of this branch of political economy.

It must have occurred to most people, that one of the most important differences between a rude and a highly-perfect system of interchange, is the gradual substitution of a transfer of the *title* to certain things for the transfer of the things themselves. A money lender in the Deccan absolutely keeps his whole fortune in hard rupees, hidden about his house or within the seclusion of his garden; and when, under the stimulus of a high rate of interest, he ventures to diminish his hoard, the borrower carries away his loan in *bond fide* gold and silver. In that case there is no interchange of title, but a delivery of substance; and it is quite conceivable, that any cause which should reduce the quantity of the circulation of such a country would act in a manner more or less immediate upon the tenor of all transactions in which the circulation was employed. But this is a state of things which recedes with every step advanced towards a less literal and less barbarous economy. In the first place, if you can so far introduce the principle of substituting a guarantee for a reality as to establish a circulation of bank notes, it is admitted on all hands that the phenomena of price and the rate of interest are no longer dependent upon the quantity of metallic coin. And if another

simplification can be effected, and bank notes can be reduced to a subservience to the new method, as complete as the subservience already established between bank notes and coin, then the rate of prices and the rate of interest will be relieved from any direct dependence either upon bank paper or the actual coinage. Now, it is precisely because both these refinements of interchange have been accomplished in this island with greater perfection than in other parts of the world, that the propositions for which we contend are so completely true. We have so far applied to a practical purpose the idea of title, and the immunity of our country from every species of violence too powerful for the law, has given so free a scope for the growth of sentiments of confidence, that, in truth, the whole framework of our monetary system proceeds upon this fundamental principle. The great instrument of transfer has ceased to be a piece of metal, or a piece of engraved paper, and has come to be a ledger; and we accomplish, by orders upon that ledger, all the operations and all the functions which ever did appertain to any form of literal currency. A cheque conveys the title to £1,000 from A to B, and another cheque puts the same £1,000 under the control of C. A cheque suffices to complete a loan of half-a-million, and a series of cheques is all that is required to use it. It is nothing to the purpose to say, that, perhaps in one case in fifty, the negotiation of these cheques necessitates the intervention of coin or bank paper. We know it does; but by the very terms of the objection the importance of the currency is admitted to be reduced to a fiftieth of its former power; and the best answer to the drift of the demur is to cite the rapid progress which has been made during the last fifteen years in lessening the quantity and the employment of bank notes, and the inroads which are made every day upon their remaining influence. Surely, if a great nation, in the face of more people, more trade, and more wealth, has dispensed with a large part of its bank paper, and is daily reducing the influence of that which remains, it is a strange opinion to attach to this disappearing incident consequences and an influence which suppose an overwhelming power. And here it is that the unfortunate notion of describing all the operations of a banker as *Issues* does so much mischief. If the language of the Currency party was not so explicit, we could scarcely persuade ourselves that, at this time of day, any educated person could maintain, as a matter of serious belief, that a banker cannot make an advance without making an *Issue*. An issue of what? Not assuredly of notes. It is too gross a supposition to conclude for a moment, that even the writer in the *Chronicle* knows so little of the things around him, as to believe that when a customer's account is credited with a loan of £1,000 against which

he is to draw, the £1,000, for form's sake, is politely tendered to him with one hand, and politely received back again with the other. And yet it is only by the aid of some such extravagance as this that we can reconcile the inveterate iteration of *Issues* with any intelligible signification.

There is, then, the alleged difficulty of perceiving how a currency, not operating by its mere quantity and circulation from hand to hand, can preserve the legitimate level of bullion prices. If, says the *Chronicle*, you have very little coin and very few notes, and if both the coin and the notes are mere counters, how does it happen that, one year with another, the prices of Great Britain, *mutatis mutandis*, are neither above nor below the prices of France or Germany or South America. It happens very easily; and an authority whom the *Chronicle* is fond of quoting may assist him to see his way through the obscurity. Mr. Ricardo proposed a scheme which he called a "Plan for an economical and secure currency." Now it was the essence of this plan that a circulation of metallic money should be almost entirely dispensed with; and he proposed to accomplish this with entire safety to the value of the substituted material, by enacting that the Bank of England, under certain conditions, and at the mint price, should deliver bars of uncoined gold of not less than twenty ounces weight each. In other words, he retained the *reality* of a fixed metallic standard, by subjecting all contracts to the ultimate test of a wholesale payment in gold as a commodity, and dispensed with all the cost and inconvenience of such a monetary system, arising out of the daily wear and tear, and the cumbersomeness and risk of actual money. There can be no question that such an arrangement would be every way effectual as far as maintaining the level of prices between this country and other countries. It is true that Mr. Ricardo contemplated the employment of bank notes, but there is nothing in his scheme which renders bank notes essential to its success, or which could interfere with its introduction into a country where that form of paper credit was utterly unknown. The governing principle of the plan is—not that bank notes shall be issued and retired, but that all contracts shall be subjected to the check of payment in the precious metals under the action of the foreign exchange; and we beg to say that this is the sum and substance of the view for which we contend.

The important question of the constant and inviolate convertibility of the note, must be postponed to our next paper. We are the decided adherents of a convertible paper currency. We regard the occurrence of any interruption to a perfectly convertible state of the bank note, or rather to an immediate adjustment of all transactions in gold and silver, with extreme suspicion and

most unfeigned regret. But we do not want to alarm ourselves needlessly by a nomenclature. A national bank note, which the issuer cannot discharge in coin, is an inconvenience which reaches the magnitude of a calamity, but it is not the highest species of calamity to which human life is exposed. The presence of a foreign enemy, the ravages of famine, or the utter dislocation of an industrial system, would be evils greater by a hundred-fold than the possible suspension of cash payments for six months, and a discount of a shilling in the pound on the notes of the Bank of England. In our view, therefore, the convertibility is only one thing among several. It stands in the first rank, and must always be regarded as a prime condition; but even a recognition so emphatic as this falls very far short of the deification conferred upon this attribute of a currency by the party of the *Chronicle*. As far as we can understand them, they seem to believe that mankind have been made for the currency, and not the currency for mankind; and that, come what will, war, pestilence, or death—no matter whether the sun happens to rise in the west or in the east—and totally regardless of every change in animate or inanimate nature—it must still be the imperative law of the universe that, at all times, and in the face of all vicissitudes, the holder of a five-pound bank note shall be able to convert it into five sovereigns on demand. With all due submission, we beg to deny both the wisdom and the common sense of so preposterous a persuasion.

We shall resume the subject in another number.

LETTERS TO A BRANCH MANAGER.

LETTER VII.

Discounts. Part I.

MY DEAR CHARLES,—When your friends, Messrs. Potts and Co., the paper manufacturers, offer for discount their draft for £256 13s. 4d., at — months' date, on Booker and Co., of Birmingham, wholesale stationers, they tender you a document rather prolific of suggestion to the mind of a banker, however unpromising the subject may appear to the general reader; but, as you observe, if very ordinary people can find "sermons in stones," there is no good reason why we bankers should not find discourses in discounts.

Whilst you are fingering the bill, then, with a grave countenance, ostensibly bent on inquiry as to the validity of the stamp, the regularity of the indorsement, the absence of erasures, and other points essential to the legal accuracy of the bill, you

will be revolving in your mind considerations of far graver weight and importance.

I shall take it for granted that it is *convenient* for you to discount a bill for the amount; and, consequently, that Peel's Act is, for the time, inoperative. (The Act never affects the money market, indeed, until it is down—and then it kicks it.) In monetary phrase then, you are "open" for discounts,—the offer of a few good bills would be rather agreeable to you than otherwise.

This settled, the question that will naturally arise next is—whether the bill now offered you is a *safe* one? In determining this point, it is not always enough, Charles, that the world at large, yourself included, should have a high opinion of the means and character of the Drawers. Very high opinions, indeed, were entertained, up to the last moment, of certain firms in England, who have of late repaid the misplaced confidence of bankers and the public after a fashion that should be instructive,—the dividends upon their estates very generally bearing an inverse ratio to the degree of confidence placed in them.

Your opinion of parties, therefore, should be subjected to frequent revision; because, for one reason, incidental reverses are constantly arising, which although too slight to affect our commerce as a whole, may nevertheless bring disaster and ruin to particular branches of industry. You are not justified, therefore, in awaiting the advent of a general panic, before (mentally at least) you commence a review of your Character Book: otherwise you may find a few of your friends in the *Gazette*, before you have passed your pen through records touching their wealth and responsibility of the wildest description.

Now one of the best practical guides to the progress a party is making in the world, is his banking account. To the uninitiated, the account, as it appears in your ledger, is an aggregation of figures, which, if it gives rise to an idea at all, is painfully suggestive of the processes of multiplication and addition. All the sense or English they discover in it is an endless repetition of the terms *By* and *To* cash, bills, or discount, as the case may be. The columns headed, "Balance," "Days," "Interest," with their dense legions of figures, are mysteries to the mass, which they would rather take for granted than seek to fathom. But to the eye of the Banker, this same account, habitually and carefully perused, exhibits a man's financial history.

As an illustration of this, refer to the account of Philip Barnes, in your books for the years 1834-9.

Philip, I have heard you state, started in business in 1834, with a capital of £5000; and, for the first year or two, drove a cautious trade, limiting himself, as your books will show, pretty much to his own means. But in the third year, Philip, becom-

ing ambitious, began to "extend;" became still more extended in the fourth; and in the fifth year ('39), reached a degree of inflation that explosion became inevitable.

The comfortable balance which stood at his credit during the whole of the first two years, becomes diminished, you will see, in the third, disappears totally in the course of the fourth, and in the fifth is replaced by a balance against him. Refer now to his bill account for the same period, and you will find a progressive and startling increase in the amount of his bills under discount. Look, finally, at the debit side of his account for the total of his *acceptances* retired, and you will find that *they* also have shared in the general tendency of Philip's affairs towards expansion.

You find, in fact, that in the summer of 1839, when the Directors first took alarm, he had got to that point at which they had to choose betwixt "carrying him through," or letting him drop;—either they must continue to discount his bills, to enable him to meet his *acceptances*, or his *acceptances* must go to dishonour, and he to the *Gazette*. They chose the former, and as far as their information went, the wiser alternative of the two; but, as matters ultimately turned out, a disastrous one.

Now the fault here lay, not so much with the Directors, but with W——, the Manager at Huggleton for the time being. It was his duty to have foreseen the dangers into which Barnes was hurrying, and to have acted accordingly: and I contend, that if W—— had watched the account with ordinary vigilance or judgment, his suspicions could not fail to have been aroused long before Barnes' affairs got into that involved condition, from which extrication became impossible.

The enormously increased *activity* of the account, an increase in the proportion of five to one, ought first to have suggested to your predecessor the propriety of looking to the state of Barnes' *liabilities*; and finding these augmented in an equal ratio, he ought to have become doubly cautious, at least as to their character and safety. The bills drawn by Barnes upon Wiggles and Co., for example, ought at once to have challenged attention. True, Wiggles and Co. were in a trade which it was the business of Barnes to supply; and you will see that his bills upon that firm, at first, averaged such an amount as might legitimately arise in the course of business,—from £300 to £500; whereas towards the end of the account, these bills have risen to the monstrous sum of £3000. But even if the sum itself had failed to raise a doubt as to the legitimacy of these bills, the singular regularity with which, for a lengthened period, one of them is discounted a few days before another of similar amount is becoming due, ought to have opened W——'s eyes to the fact,

which was actually staring him in the face—that the paper upon Wiggles and Co. was being kept afloat *by a series of renewals*. To render the case, as far as your predecessor is concerned, altogether inexcusable, there will actually be found, amongst the bills retired by Barnes, through his account, a series of his *acceptances* to Wiggles and Co.—clearly indicating the existence of *cross paper* betwixt the parties. That is to say, whilst Barnes at Huggleton was bolstering up his credit by drafts upon Wiggles and Co., they, in their turn, were imposing upon *their* bankers by drafts upon Mr. Philip Barnes. Now, it appears to me, Charles, that it required no extraordinary degree of sagacity to have read from these circumstances, exhibited on the very face of Barnes' account, the actual fact, that Barnes and the Wiggleses were engaged in some speculation altogether extraneous to their legitimate business,—as the result showed rather forcibly in the end to those interested in the respective estates.

But apart from these very glaring facts, there were others equally indicative, to a shrewd observer, of the irregular and dangerous course into which Barnes had plunged. Refer to the account again. On January 5, 1839, you will find a debit of extraordinary magnitude:—"To A B, £1500." Now, seeing that the other debits in the account average about £150 each, the debit in question might have suggested, and would fairly have justified the inference, that it did not arise at all events out of the *regular* course of Mr. Barnes' business: and the truth was that it did not. It was found to represent an investment by Barnes in a certain mining company, which he, and his co-adventurers, fondly believed would prove a second Wheal ———, and which ended, as nine-tenths of such schemes do, in the impoverishment or ruin of all concerned.

[The search for the philosopher's stone, Charles, I may add, by way of parenthesis, by no means went out with the alchemists and astrologers. Under a different name, men of slender means but sanguine hopes, are sinking shafts and driving levels to this very day, in the hope of circumventing it.]

It might also have struck your predecessor, looking to Mr. Barnes' account, that his bills latterly were paid in either the very day they were drawn, or as soon as they could by possibility reach his hands accepted—an infallible sign of restricted means on the part of the drawer, which you will do well to note. Now, in the earlier stage of the account, the bills, you will see, were paid in at all dates.—Barnes, from his then easy and unrestrained position, being enabled to keep them by him, sometimes for a month or two, before he passed them to his account, or had occasion to discount them.

It is likewise observable, throughout the latter part of the

account, that many of Barnes' drafts upon his customers were dishonoured. The entry, "To ——'s acceptance *and charges*," recurs with a frequency to have warranted the suspicion, that in extending his business, Mr. Barnes had exercised, to say the least, an unfortunate selection of customers. An acceptance will be dishonoured sometimes through sheer accident: but no conceivable amount of blundering will explain satisfactorily the number of dishonoured bills passed to the account, during the first five months of 1839. The rule with Mr. Barnes' customers would appear to have been to dishonour their bills—the exception to meet them.

Finally, I would draw attention to the fact that the *rates* levied latterly upon Barnes' bills were exorbitant, as compared with the prevailing rates of the day. I infer from that, that upon this point he had become indifferent,—a deadly symptom of incipient insolvency. When the customer becomes regardless of the *interest* on his account, let the banker look well to the *principal*. No man doing a business which renders him largely dependent upon procuring discounts, can well become indifferent to the rates of discount, until he has reached that point when the question with him is not one of discount and commission, but of mercantile existence. When a man asks you, therefore, in ordinary times, to discount certain bills for him, and to "charge what you like," Charles, be sure he is tempting you, by a higher premium than ordinary, to a more than ordinary risk. I believe I entertain as hearty a dislike to the whole tribe of "screws and skinflints," as I have heard you frequently and vigorously express; but better endure a full hours' huxtering about the discount on a good bill, than a whole years' remorse over the lost principal of a bad one.

I think then, that the conclusions which I have indicated, as arising out of Mr. Barnes' banking transactions, go far to establish the proposition—that a man's banking account, properly studied, is one of the best practical guides to the progress he is making in his business; and had your predecessor been aware of this, and regarded the movement of Mr. Barnes' account with ordinary watchfulness, suspicion would have been awakened in time to save the Bank from loss, and possibly Barnes' himself from ruin.

THOMAS BULLION.

October, 1848.

STATISTICS OF THE RAILWAY EXPENDITURE.

(SECOND ARTICLE.)

LAST month we presented a statement of the first effects of "the Railway Movement" in 1845, pointing out what the projectors of the several lines proposed to accomplish, and showing how far their intentions were seconded and encouraged by the Legislature. We intended to have followed up that article by a description of *the effects* which had ensued; but the panic in the Railway Market that has continued during the past month, induces us to postpone the consideration of that subject until we have laid before our readers a compilation of official statistics, which will probably be of service at the present time.

The severe and continued decline in the price of railway property of every description, appears to have been occasioned in part by the fear that future "Calls" on shares, and an *exposé* of the several companies' accounts, would be attended by very disastrous consequences. This opinion was the result of the ignorance of the public respecting the actual condition of railway property; and the publication of some elaborate digests of the accounts of the leading companies, by the *Railway Share List*, has no doubt contributed to increase the alarm of that large portion of the public who, like a flock of sheep, always follow a leader, either in buying or selling.

Mr. Slaughter, the secretary of the railway department of the Stock Exchange, under whose superintendence these digests have appeared, has been highly censured in some quarters for having made them public; but we think, on due consideration, it will be found that he has rendered an essential service to the railway interest by the course which he has pursued. He has taken the railway accounts, as published by the several companies, and *from the items in these accounts* he has drawn the conclusions which they appeared to warrant. If, in consequence of the ambiguous manner in which the accounts are published, he has been led into error, his case is the same as that of the shareholders of the companies, and the officials have no right to charge him with the consequences of mistakes which their own statements have occasioned. We have no hesitation in saying, that until Mr. Slaughter undertook the difficult and laborious task of analysing the accounts of the several companies in the *Railway Share List*, that the majority of the railway public knew positively nothing of the *actual condition* of their properties. They met the directors at the half-yearly meetings, and adopted the Report, passed compliments to the Chairman and the Board for their management, and very gratefully accepted the high dividends which were proposed; but of the real condition of the companies, and whether such dividends were payable out

of capital or revenue, not one in every thousand shareholders, we are quite confident, knew anything satisfactory. Mr. Slaughter has altered the state of affairs. *He has frightened the Shareholders*; and all the leading companies have accordingly proposed to publish explicit statements of their actual financial position. This is in itself a most valuable result of Mr. Slaughter's labours; and if he will undertake the examination of *these reports*, as carefully and impartially as he has those of the general meetings, we are sure that the railway public will be greatly indebted to his exertions.

In order to correct some of the mis-statements which have been recently current as to the amount of railway capital actually raised, and the amount to be hereafter raised by calls, we have compiled the following tables from the official returns, and they may be taken as strictly accurate:—

AN ACCOUNT of the Amount of Calls paid up upon Railway Account, and of Loans borrowed by Railway Companies, up to the 1st December, 1847.

NAME OF RAILWAY.	Amount of Share Capital actually paid up on 1st December, 1847.			Total Debt of the Company on 1st December, 1847.		
	£	s.	d.	£	s.	d.
Aberdeen	619,209	1	6	101,976	15	0
Airdrie and Bathgate Junction ..	30,000	0	0			
Alford Valley	8,950	0	0			
Ambergate, Nottingham, Boston, &c.	233,931	0	0			
Arbroath and Forfar	161,860	10	0	34,100	0	0
Ashburton, Newton, and South Devon	10,527	10	0			
Ayrshire and Galloway	17,250	0	0			
Ayrshire, Bridge of Weir, &c. ..	24,825	0	0			
Ballochney	86,737	10	0	8,083	4	8
Bedford, London, and Birmingham ..	125,000	0	0			
Belfast and County Down	54,011	1	1			
Birmingham and Oxford Junction ..	606,045	0	0			
Birmingham, Wolverhn., and Dudley..	249,166	0	0			
Birmingham, Wolverhn. & Stour Valley	418,143	10	0			
Bodmin and Wadebridge	26,994	13	1	7,200	0	0
Bolton, Blackburn, Clitheroe, &c. ..	392,822	8	5			
Boston, Stamford, and Birmingham ..	60,159	0	0			
Bridgewater and Taunton Canal, &c.	81,679	0	0	144,260	0	0
Bristol and Exeter	1,303,518	9	11	1,118,280	0	0
Bristol and South Wales Junction ..	34,327	0	0			
Buckinghamshire (including Junctions)	369,715	0	0			
Caledonian	2,371,764	0	0	838,452	0	0
Caledonian and Dumbartonshire Junction ..	58,992	18	5			
Chard Railway	96,139	0	0	93,519	12	8
Cheltenham and Oxford	77,400	0	0			
Chester and Holyhead	1,902,934	10	0	598,794	7	9
Clarence	543,804	19	2	31,481	17	0
Cockermouth and Workington	72,870	0	0	26,666	0	0
Cockermouth & Workington Extension	1,253	14	0			

NAME OF RAILWAY.	Amount of Share Capital actually paid up on 1st December, 1847.			Total Debt of the Company on 1st December, 1847.		
	£	s.	d.	£	s.	d.
Colchester, Stour Valley, Sudbury, &c.	79,242	10	0			
Cork and Bandon	75,375	0	0			
Cork and Waterford	75,549	15	0			
Cork, Blackrock, and Passage ..	26,897	15	0			
Cornwall	184,509	0	0			
Coventry, Nuncaton, Birmingham, &c.	104,000	0	0			
Deeside	21,575	0	0			
Derbysh., Staffordsh. & Worcester Junc.	47,207	2	0			
Direct London and Portsmouth ..	107,574	5	0			
Dublin and Belfast Junction ..	315,140	0	0			
Dublin and Drogheda	516,209	1	4	177,586	0	0
Dublin and Kingstown	244,334	0	0	143,737	0	0
Dublin, Belfast, & Coleraine Junction	28,970	0	0	143,737	0	0
Dublin, Dundrum, and Rathfarnham..	16,394	10	9			
Dunblane, Doune, and Callander ..	8,000	0	0			
Dundalk and Enniskillen	123,125	0	0			
Dundee and Arbroath	176,750	0	0	16,315	0	0
Dundee and Newtyle	83,420	0	0	23,000	0	0
Dundee and Perth	233,587	10	0	72,500	0	0
East Anglian	812,477	12	0	245,800	0	0
Eastern Counties	7,624,700	0	0	744,000	0	0
East Lancashire	1,418,644	0	0	301,734	10	6
East Lothian Central	15,760	0	0			
East of Fife	27,775	0	0			
Eastern Union	260,644	18	0	89,999	0	0
Eastern Union and Hadleigh Junction	36,665	0	0			
East and West India Docks, &c. ..	174,000	0	0			
East and West Yorkshire Junction ..	125,169	15	7	11,194	0	3
East Lincolnshire	302,189	0	0			
Edinburgh and Bathgate	58,329	0	0	1,650	0	0
Edinburgh and Glasgow	1,832,815	0	0	479,907	0	0
Edinburgh and Northern	814,326	6	3	299,955	0	0
Edinburgh, Leith, and Granton ..	211,932	0	0	152,000	0	0
Exeter and Crediton	70,000	0	0	23,333	0	0
Exeter and Exmouth	16,800	0	0			
Fleetwood, Preston, &c., Junction ..	80,489	10	0			
Furness	147,584	0	0	39,220	0	0
General Terminus & Glasgow Harbour	20,000	0	0			
Glasgow, Airdrie, & Monklands Junc.	75,020	0	0			
Glasgow, Barrhead, & Neilston Direct	126,629	10	0	37,510	0	0
Glasgow, Dumfries, and Carlisle ..	333,114	3	4			
Glasgow, Kilmarnock, and Ardrossan	103,022	10	0			
Glasgow, Paisley, Kilmarnock, and Ayr	1,655,967	10	0	344,392	5	0
Glasgow, Paisley, and Greenock ..	576,008	19	0	262,180	7	2
Glasgow, Strathaven, & Lesmahagow	48,032	6	7			
Gloucester and Dean Forest	53,214	15	0			
Great Northern	2,080,840	0	0			
Great North of Scotland	142,565	0	0			
Great North of Scotland Extension ..	7,145	0	0	1,465	1	1
Great Southern and Western (Ireland)	1,736,722	10	0	529,753	0	0
Great Western	6,047,567	0	0	4,754,352	0	0
Great Western and Uxbridge	2,395	0	0			
Herne Bay and Canterbury Junction..	2,250	0	0			
Huddersfield and Manchester	811,230	13	6	117,920	0	0

NAME OF RAILWAY.	Amount of Share Capital actually paid up on 1st December, 1847.			Total Debt of the Company on 1st December, 1847.		
	£	s.	d.	£	s.	d.
Hull and Selby	699,789	0	0	243,491	0	0
Ipswich and Bury St. Edmunds	472,580	0	0	133,333	0	0
Irish South Eastern	105,774	3	4			
Kendal and Windermere	107,907	0	4	40,516	19	4
Kilkenny & Great Southern Western ..	16,725	0	0			
Killarney and Valencia	55,653	2	6			
Killarney Junction	40,075	0	0			
Lancaster and Carlisle	1,075,425	16	8	301,337	7	6
Lancaster and Preston Junction	397,496	0	0	113,000	0	0
Lancashire and Yorkshire	5,124,294	0	0	2,339,459	0	0
Leeds and Bradford	885,080	0	0	202,250	0	0
Leeds and Thirsk	759,735	0	0	194,010	0	0
Leeds, Dewsbury, and Manchester ..	420,720	0	0	187,900	0	0
Limerick, Ennis, and Killaloe	18,790	0	0			
Liskeard and Caradon	17,829	17	2	4,000	0	0
Liverpool, Crosby, and Southport ..	22,400	0	0			
Liverpool, Manchester, and Newcastle	175,000	0	0			
Llanelly Dock and Railway	185,020	0	0	44,600	0	0
Llynvi Valley	69,915	0	0	39,520	0	0
London and Blackwall	1,072,932	3	4	137,880	0	0
London, Brighton and South Coast ..	4,492,193	0	0	1,485,238	0	0
London and North Western	14,387,701	0	0	8,487,056	0	0
London and South Western	4,679,478	5	0	1,418,820	0	0
Londonderry and Coleraine	207,197	0	0			
Londonderry and Enniskillen	139,630	0	0			
Lowestoft Railway and Harbour	149,858	0	0	39,950	0	0
Malton and Driffield Junction	55,148	5	10			
Manchester and Southport	82,828	0	0			
Manchester, Buxton, Matlock, &c. ..	205,702	0	0			
Manchester, Sheffield and Lincolnshire	2,334,122	4	4	864,042	0	0
Manchester, So. Junc. and Altrincham	209,000	0	0	45,286	0	0
Maryport and Carlisle	158,875	0	0	259,456	18	11
Middlesborough and Redcar	47,880	0	0	16,560	0	0
Midland	9,121,608	3	3	2,919,495	9	2
Midland Great Western (Ireland) ..	590,512	10	0			
Mold	20,061	9	0			
Monkland and Kirkintilloch	143,743	15	0	35,392	2	5
Monmouthshire Canal Navigation ..	53,310	0	0	39,900	0	0
Morayshire	7,500	0	0			
Mountmellick Junction	2,100	0	0			
Newcastle and Carlisle	887,608	1	2	500,667	8	7
Newmarket and Chesterford	305,510	0	0	65,000	0	0
Newport, Abergavenny and Hereford ..	70,228	10	0			
Newry and Enniskillen	90,575	0	0			
Newry, Warrenpoint and Rostrevor ..	44,258	0	0			
Norfolk	1,238,514	0	0	397,000	0	0
North British	1,794,678	8	0	546,352	18	4
North Staffordshire	1,194,040	0	0	15,000	0	0
North Union	739,201	10	0	377,496	1	2
North-Western	263,847	6	0	330,000	0	0
Northern and Eastern	999,935	0	0	213,800	0	0
Northern Counties Union	194,596	0	0			
Oldham Alliance	45,000	0	0			

NAME OF RAILWAY.	Amount of Share Capital actually paid up on 1st December, 1847.			Total Debt of the Company on 1st December, 1847.		
	£	s.	d.	£	s.	d.
Oxford, Worcester & Wolverhampton	£898,000	0	0			
Parkgate and Chester and Birkenhead	3,750	0	0			
Portbury Pier and Railway	14,142	0	0			
Preston and Longridge	50,124	0	0			
Preston and Wyre	654,499	0	0	54,000	0	0
Reading, Guildford and Reigate	304,778	0	0			
Royston and Hitchin	44,000	0	0			
St. Helen's Canal and Railway ..	249,677	0	0	99,833	0	0
Scottish Central	814,747	10	0	146,250	0	0
Scottish Grand Junction	25,000	0	0			
Scottish Midland Junction	315,880	0	0	2,580	0	0
Sheffield, Rotherham, Barnsley, &c...	109,851	17	6			
Shrewsbury and Birmingham	416,271	10	0			
Shrewsbury and Chester	511,066	0	0	244,150	0	0
Shrewsbury and Hereford	54,360	0	0			
Shropshire Union Railways and Canal	1,020,627	11	11	804,538	4	0
Slamannan	97,980	0	0	54,745	0	0
Slamannan and Borrowstoness ..	10,500	0	0			
Sligo and Shannon	5,091	0	0			
Southampton and Dorchester ..	500,000	0	0	98,424	0	0
South Devon	1,165,927	0	0	389,900	0	0
South Eastern	5,226,432	12	2	1,499,127	0	0
South Staffordshire	165,717	8	0			
South Wales	756,891	0	0			
South Yorkshire, Doncaster and Goole	112,500	0	0			
Stirling and Dunfermline	123,786	10	0			
Stockton and Darlington	323,417	0	0	251,406	0	0
Strathay and Breadalbane	12,000	0	0			
Taff Vale	498,610	0	0	194,700	0	0
Taw Vale Railway and Dock ..	111,860	0	0			
Tenby, Saundersfoot and South Wales	12,180	0	0			
Thames Haven Railway and Dock ..	59,680	0	0			
Ulster	431,842	0	0	198,600	0	0
Vale of Neath	104,970	0	0			
Waterford and Kilkenny	159,035	0	0	23,000	0	0
Waterford and Limerick	382,036	8	7	9,165	18	1
Waterford, Wexford, Wickw., & Dublin	124,148	16	0			
Wear Valley	104,912	0	0			
West Cornwall	50,445	0	0			
West London	163,348	0	6½	10,850	0	0
Wharfedale	62,042	10	0			
Whitehaven Junction	100,000	0	0	40,904	0	0
Whitehaven and Furness Junction ..	116,501	0	0			
Wilts, Somerset, and Weymouth ..	722,670	0	0			
Wilsontown, Morningside, & Coltness	82,355	0	0	41,832	0	0
Windsor, Staines, & So.-Western, No 1.	72,427	0	0			
Windsor, Staines, & So.-Western, No. 2	43,456	0	0			
Wishaw and Coltness	227,744	0	0	39,530	0	0
Wycombe	9,732	0	0			
York and North Midland	2,550,015	16	6	793,300	0	0
York, Newcastle, and Berwick ..	4,425,058	0	0	490,783	0	0
TOTAL	£121,641,584	6	0½	39,514,895	8	7

The above account of share capital actually paid up to the 1st of December, 1847, when compared with the amount authorised to be raised by Parliament, affords a means for estimating the actual amount outstanding likely to be called for. After going carefully over the official lists, we think that the future calls, to be distributed over at least three years next to come, will not exceed £45,000,000 sterling, or not more than £15,000,000 per annum, probably less, unless railway prospects greatly improve. We had prepared an analysis of the Parliamentary returns, to show the grounds on which we arrived at this conclusion; but the following table, which has been published by the *Leeds Intelligencer*, will be found more complete:—

The following statement shows the amount of calls still to be made on existing shares, including abandoned schemes, &c.

Ambergate and Boston..	£1,543,750	Lancash. and Car., Thirds	£120,000
Ayrshire and Galloway ..	82,000	Lancashire and Yorks ..	43,407
Belfast and Co. Down ..	325,000	Do. do. ..	182,000
Birm. Wolv. and Dudley	350,000	Do. Half shares	91,000
Birk. Lan. and Ches. Jun.	945,000	Do. Quar. shares	146,250
Boston, Stam. and Birm..	189,000	Do. Fifths	1,395,009
Bristol and Exeter.....	225,000	Do. Thirds	920,436
Bristol & Exeter, Thirds .	125,000	Do. Guar. £6 .	791,250
Buckinghamshire	149,912	Liverpool and Bury	140,000
Caledonian, Half-shares..	414,000	Huddersfield and Sheff..	74,480
Do. Preference £10 ..	558,885	West Riding Union	1,400,000
Chester and Holyhead ..	105,000	Pres. & Wyre, Half-shars.	50,160
Direct London & Portsm.	1,342,500	Leeds and Dewsbys. scrip	54,000
Dublin and Belfast Junc.	373,420	Leeds and Thirsk, New..	148,400
Dundalk and Enniskillen	150,000	Do. Preference	850,500
Eastern Counties, £6		Liv., Crosby, and Southp.	146,784
guaranteed	337,960	Liv., Man., & New Junc.	1,225,000
North. and Eastern, New	166,212	Lon. & Blackwall Exten.	20,000
Eastern Union, Class A..	86,400	Lon. & Brighton, £6 G..	92,371
Do. Class B..	80,000	Lon. & Nor. West. Quar.	165,000
Do. Class C..	165,000	Do. New do.	3,030,840
Do. Scrip. ..	75,000	Do. Fifths ..	1,003,822
East Lancashire, New ..	192,660	Do. £40 ..	196,350
Do. Preference	92,280	Do. £10 A ..	30,000
East Lincolnshire	48,000	Do. £10 B ..	60,000
Edin. and Glas. Half-Sh.	190,200	Do. £10 C ..	630,000
Edinburgh Newport, New	312,500	Lond. & Sth. West., £50	348,750
Do. do. ..	58,000	Do. £40 ..	36,000
Exeter, Yeovil, and Dor.	1,163,500	Do. Thirds ..	602,800
Do. New ..	447,500	Do. New scrip	2,216,490
Great Northern	1,792,000	Lond., Slsby., and Yeovil	1,511,648
Do. Extension	400,000	Londonderry & Coleraine	225,000
Great South. and Westrn.	375,000	Londonderry & Enniskln.	85,000
Gt. North of Engl., £40	187,500	Lowestoft, G. £6	72,000
Do. do. New, £15	10,000	Matlock and Buxton	980,000
Great Western	250,000	Sheffield & Lincol., No. 1	126,000
Do. Quarters	372,000	Do. No. 3	103,000
Do. New, £17	278,000	Gt. Grimsby & Sheffield .	180,000

Gt. Grims. & Shefd. £20	£294,750	Shrewsbury & Chest., New	£248,400
Do. £12½	92,000	Shropshire Union	2,640,000
Do. Docks	126,000	South Staffordshire	433,125
Sheffield & Lincoln	475,000	South Eastern .. No. 1 ..	224,000
Manch. & Lincoln Union	172,840	Do. .. No. 2 ..	476,000
Midland, £50	2,319,690	Do. .. No. 3 ..	157,500
Bristol & Gloucester	79,668	South Wales	1,232,000
Do. do.	168,496	Sth. Yorksh., Donca., &c.	600,000
Midland Great Western..	150,000	Swansea & Loughor &	
Newmarket	70,000	Camb. Steam Coal....	80,000
Do. Extension ..	627,200	Taw Vale Extension	373,100
Newport & Abergavenny .	557,080	Thames Haven Dock &	
Newry & Enniskillen	774,000	Railway	217,750
Norfolk, £20, New	98,500	Vale of Neath	500,000
Do. Waveney Valley	360,000	Waterford & Kilkenny ..	31,250
Northern Counties Union	2,760,000	Waterford & Limerick ..	75,000
North British Extension .	540,000	Waterford, Wexford,	
North & South Western .	90,000	Wick, & Dublin	1,700,000
North Staffordshire	842,500	West Cornwall	294,910
North Wales	257,140	Wear Valley, £6 Guaran.	15,848
North Western	550,000	Do. do. ..	385,696
Reading, Guildfd. & Rei.	200,000	Whitehaven & Furness ..	122,500
Royston & Hitchin	222,666	Windsor, Staines, & South	
Scottish Midland, New ..	90,000	Western	325,000
Sheffield, Rotherham, &		Wilts, Somerset, & Wey .	300,000
Goole North Div.	245,000	York & Newcastle, No. 1	640,000
Do. South Div.	360,000	Do. No. 2	620,000
Shrew. & Birm.. Class A.	332,150	Do. Preference	2,703,000
Do. .. Class B.	239,850	York & Nth. Midl., Pref.	944,000
Shrewsbury & Hereford .	720,000		
Shrewsbury & Chester ..	24,000		
Do. Halves ..	30,000		
Do. Oswestry	82,000		
			<u>£62,760,335</u>

LINES NOT INCLUDED IN THE LONDON LIST.

Cornwall—it is probable that only a small part of this line will be made	£1,460,000
Cork and Waterford—this line is reputed to be abandoned	
Coventry, Nuneaton, and Lincoln—	135,000
Derbyshire, Staffordshire, and Worcestershire Junction—defunct	
Dublin and Dundrum	110,250
Dublin, Belfast, and Coleraine—defunct	
Dublin and Kingstown	255,000
Colchester and Stour Valley	150,000
East and West India Dock Railway	300,000
Stirling and Dunfermline ..	182,000
Edinburgh and Bathgate ..	30,000
Stirlingshire and Midland Junction	60,000
Glasgow, Paisley, and Ayr ..	634,320
Gloucester and Dean Forest .	243,200
Malton and Driffield ..	134,200
Midland and Great Western	200,000
Taff Vale ..	108,000
Total ..	<u>£66,762,305</u>

The following is a statement of the deductions which must be made from

MR. SLAUGHTER'S ANALYSIS OF RAILWAY ACCOUNTS. 645

the above sum on account of defunct schemes, calls to pay off loans, and calls to buy completed lines. We have not made any deduction for duplicate calls, that is, for calls to be made by old companies to pay up the shares they hold in new lines:—

Ambergate and Boston—shares to be reduced, and greater part of line abandoned	£1,100,000
Direct London and Portsmouth—defunct	1,342,500
Northern and Eastern, New Shares, to pay off loans	166,212
Exeter, Yeovil, and Dorchester—act not got	1,163,500
Do. Do. New Do.	447,500
Great North of England, 40l., to pay off loans	187,500
Do. Do. 15l. Do.	10,000
Lancashire and Yorkshire, 5th Shares, to pay off loans	1,395,009
West Riding Union—shares to be reduced, and part of line abandoned	400,000
Liverpool, Manchester, and Newcastle Junction—defunct	1,225,000
London and North-Western, New Quarters, to pay off loans and call—deferred	3,030,840
London, Salisbury, and Yeovil—act not got	1,511,648
Manchester and Lincoln Union—to buy a canal	172,840
Newry and Enniskillen—defunct	794,000
Norfolk Waveney Valley—defunct	360,000
Northern Counties Union—defunct	2,760,000
North British Extensions—act not got	540,000
North Wales—defunct	257,140
North Western—shares to be reduced to 15l., and part of line abandoned	275,000
Sheffield, Rotherham, and Goole, North Div., Reduced to 18l. 10s. Do. Do. South Do. Do.	91,000
Do. Do. South Do. Do.	117,000
Shrewsbury and Hereford—defunct	720,000
Shropshire Union—great part of line abandoned	2,000,000
Waterford, Wexford, Wicklow, and Dublin—defunct	1,700,000
West Cornwall—defunct	294,910
York and Newcastle—to buy up Great North of England Shares	2,703,000
York and North Midland—to buy up Hull and Selby Shares	944,250
Newmarket Extension Scrip—abandoned	527,200
Leeds and Thirsk Pref., for 1848—to be reduced to 20l. Shares. .	405,000
Total	£26,641,049

If the above deductions are made, it appears that the sum of 40,121,256l. now remains to be called up. A considerable part of this is arranged to be raised during the next three years. It is probable that the Irish lines will be deferred for several years, or finished by the aid of Government loans. As the particulars are here given, every one can make what further deductions or additions he thinks proper, and so form his own estimate of our railway liabilities.

MR. SLAUGHTER'S ANALYSIS OF RAILWAY ACCOUNTS.

THE following is the analysis of the accounts of the undermentioned companies, prepared by Mr. Slaughter, of the Stock Exchange, and referred to in the preceding articles:—

LONDON AND NORTH WESTERN RAILWAY.

Provided all the share-capital of the London and North Western Company should be called up, and the whole of the leased and amalgamated lines be brought into operation, the following would be an approximate estimate of the annual charge upon the revenue in order to maintain the present rate of dividend, or 7 per cent. per annum :—

Preference, viz. :—	Capital.	Annual Payment.
Northampton and Banbury $\frac{1}{2}$ ds. capital ..	£333,333, at 4 per cent.	£13,333
North Union (annual rent) .. ..	.. ..	42,176
Bedford and Bletchley	48,900, at 4 per cent.	1,956
Buckinghamshire	794,990, at 4 per cent.	31,726
Coventry and Nuneaton	270,000, at 5 per cent.	13,500
Loans, including Huddersfield and Manchester; Leeds, Dewsbury, and Manchester; Shropshire Union, &c., say, ..	12,000,000, at $4\frac{1}{2}$ per cent.	540,000
Estimated annual preferential charge ..		£642,764
The company may be engaged in two other guarantees, viz., to the Scottish Central and the Preston and Wyre; but the responsibility on account of both would be comparatively trifling		
Non guaranteed, viz., Capital.		
London and North Western Stock and shares, if all called up ..	£21,047,675, at 7 per cent.	£1,473,337
Stour Valley Line ..	760,350, at 2-3ds of 7 per cent.	35,483
Shropshire Union ..	3,775,004, at half of 7 per cent.	132,125
Huddersfield and Manchester ..	1,049,280, at 7-10ths of 7 per cent.	51,414
Leeds, Dewsbury, and Manchester ..	660,000, at 7-10ths of 7 per cent.	32,340
Total estimated annual charge upon revenue ..		£2,367,463
Less.—Subscriptions to other companies (the sum now expended is £3,026,316), say, when all paid-up, £4,600,000, and producing 4 per cent. per annum		180,000
Net revenue to be produced by traffic ..		£2,187,463
Two-thirds of which amount would represent working expenses, at 40 per cent. on receipts		1,458,309
Estimated gross annual traffic required to produce a 7 per cent. dividend		3,645,772
Or, in round numbers, £70,000 per week.		
From the published revenue accounts the gross annual receipt may be now estimated at		2,200,000
The North Union rental is	£42,176	
Less—Annual loss, say	16,600	
Net proceeds from the line	25,576	
Two-thirds of which for working expenses	17,051	
Estimated gross receipt		42,627
Shropshire Union Canal traffic, say		65,000
Estimated existing annual gross traffic		£2,307,627
Or, in round numbers, £44,400 per week.		

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The required gross revenue for a 7 per cent. dividend being thus
 estimated at—per week £70,000
 And the existing gross revenue being estimated at—per week .. 44,400

There remains a balance of £25,600

per week to be earned, in addition to the present receipts, upon the full development of the traffic of the Huddersfield and Manchester; the Leeds, Dewsbury, and Manchester; the Shropshire Union; the Stour Valley; the Buckinghamshire; the Chester and Holyhead; the Coventry and Nuneaton; and the various other lines belonging to the North Western Company now in course of construction, or for the construction of which shares have been created.

It must not be lost sight of, in coming to any conclusion as to the future prospects of the London and North Western Company, that this estimate of required traffic is based upon the assumption only that the whole, or, at all events, the chief part of the powers conveyed to the company by Parliament are to be carried out. It is almost certain that they never will be carried out in their integrity, and that the weekly receipt of £70,000 will never be required in order to pay a 7 per cent. dividend; but it is not known what portion of these undertakings it is contemplated to abandon, and, accordingly, all to which the sanction of Parliament has been given are enumerated. The following extract from a letter from Mr. Creed, published in the *Weekly List* of the 1st of July, is conclusive upon the point:—

“I will conclude by merely remarking, that it is not less the desire than the interest of the directors that expenditure of capital for branch and subsidiary lines should be contracted wherever it is practicable; and not only has this been effected to a great extent, but several for which the Company have powers will not be made, and no new engagements have been contracted in the present session.”

GREAT WESTERN RAILWAY.

Great Western proper—Capital authorized by Parliament to be raised by shares and debentures		£18,463,912
South Wales, ditto		4,000,000
Oxford, Worcester, and Wolverhampton, guaranteed capital ..		2,500,000
Wilts, Somerset, and Weymouth		2,320,000
Gloucester and Dean Forest		459,000
Cheltenham and Oxford		1,333,000

The Great Western Company subscribe, it is believed, to the greater part, if not the whole, of the tributary lines above-mentioned, and the amount subscribed goes, therefore, in deduction of the capital guaranteed.

To the following there is no guarantee given, but the Great Western have power to subscribe the amounts of capital set against each:—

South Devon	150,000
Cornwall	50,000
Waterford, Wexford, Wicklow, and Dublin	220,000
Vale of Neath	110,000

Authorized by Parliament to be raised £29,605,912

Should the various branch lines be constructed, and the engagements for lease or purchase be carried into effect, the following is an estimate of the revenue required to maintain the present rate of dividend:—

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<i>Guaranteed or Preference Capital.</i>		Required Revenue.
South Wales, shares and loans ..	£4,000,000, at 5 per cent. ..	£200,000
Oxford and Worcester	2,500,000, at 4 per cent. ..	100,000
Wilts and Somerset, shares ..	1,740,000, at 4 per cent. ..	69,600
Ditto, loans	580,000, at 5 per cent. ..	29,000
Gloucester & Dean-forest shares ..	344,250, at 4 per cent. ..	13,770
Ditto, loans	114,750, at 5 per cent. ..	5,737
Cheltenham and Oxford shares ..	1,000,000, at 4 per cent. ..	40,000
Ditto, loans	333,000, at 5 per cent. ..	16,550
Estimated loans or preference shares, including £5,528,715 borrowed on the 30th of June last, and £500,000 Berks and Hants Extension shares—say ..		
	8,000,000, at 5 per cent. ..	400,000
Preference capital	18,612,000	Revenue .. 874,757
Great Western, non guaranteed share capital—say	10,993,912, at 7 per cent. ..	769,574
Authorized capital as above ..	29,605,912.	Revenue .. 1,644,331
Working and other expenses, say at 40 per cent. on receipts ..		1,096,221
Gross annual traffic receipt required		2,740,552
or at the rate of 52,703l. per week, on an average throughout the year, to pay the present rate of dividend.		

LONDON AND SOUTH WESTERN.

Capital authorised by Parliament to be raised by shares and loans ..	£11,747,016
Exeter, Yeovil, and Dorchester, ditto	966,000
Exeter and Exmouth, ditto	203,333
Windsor, Staines, and South-Western, ditto, proportion to be raised by this Company	373,333
Parliamentary powers are now given to the London and South-Western to raise or guarantee	13,289,682
To the following proposed guarantees no parliamentary sanction has been received, an agreement for lease only having been sanctioned by the several proprietaries, viz. :—	
Taw Vale, authorized to be raised	970,666
Exeter and Crediton, ditto	93,333
Total	14,353,681

Should the engagements of the London and South-Western Company be all carried into effect, the following is an estimate of the amount required to pay a 7 per cent. dividend :—

<i>Guaranteed or Preference Capital.</i>		Required Revenue.
Gosport shares	£14,400, at 5 per cent. ..	£720
Preference, Thirds, 1848 { Deposit ..	246,276, at 7 per cent. ..	17,239
Calls ..	2,216,490, at 5 per cent. ..	110,824
Exeter, Yeovil, and Dorchester ..	500,000, at 5½ per cent. ..	27,500
Exeter and Exmouth	160,000, at 5½ per cent. ..	8,800
Windsor, Staines, & S.-Western, say	160,000, at 4½ per cent. ..	7,200
Loans and preference shares, including 1,609,350l. borrowed 30th of June last, say		
	3,000,000, at 5 per cent. ..	150,000
Preference capital ..	£6,297,166	Revenue .. £322,283

Brought forward—Pref. Capital. . £6,297,166 Revenue £322,283
 Also, for the guarantee to which
 Parliamentary sanction has not
 yet been granted, viz.:

Taw Vale	728,000	} at 5 per cent. .	39,900
Exeter and Crediton	70,000		

Total preference ..	£7,095,166	Revenue..	£362,183
Non-guaranteed capital, estimated at	7,258,515, at 7 per cent. ..		508,096

Authorized capital, as above ..	£14,353,681	Revenue..	£170,279
Working and other expenses—say at 40 per cent. on receipts ..			580,186

Gross annual traffic receipt required £1,450,465

or, at the rate of 27,893*l.* per week, on an average, to pay a dividend of 7 per cent. per annum upon completion of the Windsor, Staines, and South-Western, the Salisbury and Exeter, the Exeter and Exmouth, the Taw Vale, the Exeter and Crediton, and other branches, provided they should be constructed for the several sums authorized by Parliament to be raised; provided that when constructed, the agreements for lease, &c., under the South-Western should be carried into effect; and provided the whole should be worked at the rate of 40 per cent. on receipts.

Railway Statements.

LONDON AND NORTH-WESTERN RAILWAY.

THE Directors have issued the following Statement of the affairs of this Company:—

“The erroneous statements and calculations which have recently appeared in some of the public journals,* in relation to the present and prospective financial position of the London and North-Western Railway Company, have induced the Directors, without delay, to place in the hands of each of the proprietors a detailed account of the engagements and liabilities of the concern.

It will be in the recollection of the proprietors that at the last half-yearly meeting they were assured by the directors that a careful revision of all existing engagements should be made, and that no new responsibilities would be incurred without the previous knowledge and approval of the shareholders. This promise has been fulfilled, and the directors are now enabled to estimate, with more accuracy than at any former period, the total cost necessary to complete the various works in which the company are pecuniarily interested.

The expenditure and liabilities of the undertaking may be conveniently classed under the following heads:—

1. Main Line and Branches producing Revenue.

* See the statements referred to at page 646.

2. Branch Lines in course of construction, but not yet producing Revenue.

3. Subsidiary Lines, in which the company have an interest, by Subscription, Contribution, or Guarantee.

4. Lines for which powers have been obtained, but which have not been commenced.

5. Summary of Capital to be provided by the London and North-Western Company.

No. 1.—MAIN LINE AND BRANCHES PRODUCING REVENUE.

CAPITAL RECEIVED.

Name.	Miles.	Amount Created in Stock and Shares.	On Calls.	In anticipation of Calls.	On Debentures.	Total.
London and North-Western—viz.: London and Birmingham Grand Junction, Manchester and Birmingham, Liverpool and Manchester, Bolton and Kenyon, Trent Valley, Peterborough, and Northampton, Leamington and Coventry Lines	404½	£ 21,047,747	£ 13,845,615	£ 198,959	£ 9,186,672	£ 23,231,246

EXPENDITURE.

London and North-Western—viz.: — London and Birmingham Grand Junction, Manchester and Birmingham, Liverpool and Manchester, Bolton and Kenyon, Trent Valley, Peterborough, and Northampton, Leamington and Coventry Lines, Dunstable Euston and Camden Stations. Aylesbury Bedford and Bletchley .. West London Working-stock, engines, &c.	Miles.	Total expended to June 30.	Estimated amount required to complete Works of Road and Station, dating from 1st July inst.		Total.
			On Main Lines.	On Branches.	
		£	£	£	£
London and North-Western—viz.: — London and Birmingham Grand Junction, Manchester and Birmingham, Liverpool and Manchester, Bolton and Kenyon, Trent Valley, Peterborough, and Northampton, Leamington and Coventry Lines, Dunstable Euston and Camden Stations. Aylesbury Bedford and Bletchley .. West London Working-stock, engines, &c.	404½	15,685,094	295,000	—	15,980,094
	7	99,395	—	10,000	108,395
	—	320,314	—	37,506	357,820
	7	56,574	—	*3,426	60,000
	16½	262,252	—	7,000	269,252
	3	†48,335	—	—	48,335
	—	1,674,660	—	100,000	1,774,660
	438	18,145,624	295,000	157,932	18,598,556

* Certificates of shares not presented for payment.

† Leased in conjunction with Great Western Railway for 999 years, at a quarter of the gross receipts and half of net profit from tolls, also a payment of £60,000 for liabilities due at the date of lease.

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No. 3.—SUBSIDIARY LINES IN WHICH THE COMPANY ARE INTERESTED BY SUBSCRIPTION, CONTRIBUTION, OR GUARANTEE.

NAME.	Length in Miles.	Amount paid by L. & N. W. to June 30.	Amount to be paid.	Total Subscription.	Amount Guaranteed.	Nature of Guarantee.	Probable Amount per Annum.
Leicester and Carlisle	70	£ 454,374	£ 33,500	£ 487,874	£ —	—	£ —
Caledonian	130½	191,653	27,000	218,653	—	—	—
Buckinghamshire	64	69,428	352,929	422,357	795,000	4 per Cent.	31,800
Coventry and Nuneaton	9½	82,555	—	82,555	270,000	5 per Cent.	13,500
Huddersfield, Manchester, Leeds, and Dewsbury ..	33	35,149	400,000	435,149	1,649,310	7-10ths L. & N. W. Div.	80,115
Preston and Wyre	24½	—	—	—	—	Fixed Rent.	17,813
North Union	22	—	—	—	—	Ditto	42,168
Shropshire Union (Shrewsbury to Stafford)	26	101,732	100,000	201,732	600,000	½ Dividend	21,000*
Ditto Canals	—	—	—	—	1,418,000	Ditto	— †
Stour Valley	20	195,083	382,417	577,500	565,750	2-3ds. Div.	26,400
Birmingham Canal	—	—	—	—	**19,360‡	4 per Cent. Share	Nil †
South Staffordshire	35½	68,429	63,321	131,750	—	—	—
Manchester, South Junction, and Altrincham	9	206,081	103,000	309,081	—	—	—
Chester and Holyhead	85	1,304,196	115,804	1,420,000	—	—	—
East and West India Dock Junction	8½	161,173	238,827	400,000	—	—	—
Burton and Matlock	16	32,094	20,000	52,094	—	—	—
Northern Counties Union	—	10,477	—	10,477	—	—	—
Scottish Central	67½	—	—	—	255,000	7 per Cent.	Nil ¶
Birmingham and Lichfield	—	37,899	—	37,899	—	—	—
Parliamentary Proceedings	—	148,110	10,000	158,110	—	—	—
		3,098,433	1,846,798	4,945,231	—	—	—

* This is to complete the only works yet commenced.

† The Net Revenue of these Canals during the last two years has more than exceeded the Guarantee.

‡ Ditto

§ This amount is balance of Subscription only.

¶ This Guarantee extends only to the proportion of actual amount received for traffic from the Scottish Central Line.

** Shares of £39 17s. 6d. each.

No. 2.—BRANCH LINES IN THE COURSE OF FORMATION, BUT NOT YET PRODUCING REVENUE.

Name.	Miles.	EXPENDITURE.		Total.
		Total to June 30.	Estimated Amount required to complete Works of Roads and Stations, dating from 1st July last.	
		£	£	£
Leamington Extension and Coventry and Rugby Stations' enlargement ..	15	314,920	*150,000	464,920
Rugby and Leamington				
Grand Junction Section, viz. :—				
Edge Hill and Huyton	5	435,193	365,000	800,193
Liverpool, Manchester, and Crewe Stations				
Clifton Branch	4			
Victoria Tunnel				
Ashton Branch	3	95,842	16,978	112,820
Birmingham Station and Extension ..	..	231,192	†55,000	281,192
Rugby and Stamford	35	400,204	218,918	619,122
Macclesfield Tunnel .....	..	3,978	36,000	39,978
Total	62	1,481,329	836,896	2,318,225

* Calculated for a single line only.

† Estimated on the assumption that the station will be made in conjunction with other companies.

No. 4.—LINES FOR WHICH POWERS HAVE BEEN OBTAINED, BUT WHICH HAVE NOT BEEN COMMENCED.

NAME.	Amount authorised by Act.			Expended.
	In Stock and Shares.	By Loans.	Total.	
	£	£	£	
Huyton and Warrington	180,000	60,000	240,000	Nil.
Northampton and Weedon	125,000	—	125,000	—
Bletchley and Wellingboro'	500,000	—	500,000	—
Atherstone and Whitacre	130,000	43,300	173,300	—
Watford and St. Alban's	462,000	—	462,000	—
Portobello and Wolverhampton	50,000	—	50,000	—
Kenilworth and Berkeswell	203,000	—	203,000	—
Widness and Preston Brook	31,000	—	31,000	—
Northampton and Banbury	500,000	133,333	633,333	—
Leeds Central Station, ‡	—	—	—	—
Coventry and Nuneaton Coal Branch ..	26,000	—	26,000	—
Huyton and Aston	1,050,000	383,330	1,433,330	—
Huyton, Prescott, and St. Helen's ..				
Warrington and Kenyon				
Warrington and Parkside				
	3,257,000	619,963	3,876,963	—

**No. 5.—SUMMARY OF CAPITAL TO BE PROVIDED BY THE LONDON
AND NORTH-WESTERN RAILWAY.**

	Expended to June 30.	May be required to complete.	Total.
	£	£	£
1. Main line and branches producing revenue, including the plant for all the branch lines	18,145,624	452,932	18,598,556
2. Branch lines of the company in course of construction, but not yet producing revenue	1,481,329	836,896	2,318,225
3. Subsidiary lines in which the company are interested by subscription, contribution, or guarantee	3,098,433	1,846,798	4,945,231
4. Coventry, Nuneaton, Birmingham, and Leicester, to be transferred to the Midland Company	109,734	—	109,734
£	22,835,120	3,136,626	25,971,746
Less amount to be repaid as above ..	—	—	109,734
		£	25,862,012

In preparing the above tables, it has been the earnest wish of the directors to exhibit, in as clear and intelligible a form as possible, not only the whole expenditure already incurred, but an estimate of all future liabilities.

It will be seen from the summary, No. 5, that the sum required in addition to the amount expended on 30th of June last, to complete all the works at present in progress, is estimated at £3,136,626

And that the total contemplated outlay of the company will then amount to £25,862,012

And that when the present share capital is fully called up, which will probably be in 1852, the capital stock of the company will amount to £21,047,747

In which case the amount of loans on debentures will be reduced to 4,814,265

£25,862,012

For this outlay the company will possess 500 miles of railway, and a pecuniary interest in 641 miles in addition, which may be considered as tributary to the parent line.

In proceeding to state the views they entertain in regard to future prospects, the directors, of course, are liable to error, since the results are problematical; but it will be for the shareholders to determine whether their anticipations are reasonable or otherwise, taking all the circumstances into consideration, and being guided by the experience of the past.

With the view of arriving at an estimate of the future prospects

of the railway, it will be convenient to reverse the order of the schedules, and to consider each head in detail.

The liabilities contained in the 4th schedule may be briefly disposed of. Several of the lines therein enumerated, were obtained under circumstances which no longer press upon the company. It is not intended to proceed with them at present, and, therefore, it is proposed to confine the following remarks to the undertakings which are actually in course of progress:—

GUARANTEED LINES.—It is scarcely necessary to remind the proprietors that these guarantees were undertaken in most cases as much with a view to the ultimate protection of the large income of the company, as to any increase of its profits;—it will be observed that in no case (that of the North Union and Preston and Wyre lines excepted, in which the London and North-Western and Lancashire and Yorkshire Companies unite in the guarantee) is any dividend guaranteed beyond a moderate percentage on the outlay; but as, in the aggregate, these liabilities are apparently large, it may be desirable here briefly to repeat in substance the information respecting them, which has been given in a great measure on former occasions in the half-yearly reports of the company.

On the Buckinghamshire lines, the original plan has been considerably modified, and the capital reduced—the guarantee is 4 per cent. This line may hereafter become of great importance, as affording a second line to Birmingham, having obtained powers by act of parliament to work its traffic over that portion of the Birmingham and Oxford line, from Banbury to Birmingham.

The Coventry and Nuneaton is a short line, which will open important collieries. In the extent of its mineral traffic, which will be brought upon the main line, consists its chief value.

The Huddersfield and Manchester, and Leeds and Dewsbury, provide the most direct line that can be constructed between Manchester and Leeds. The distance being 42 miles against the present route of 62, passing through the large manufacturing towns of Dewsbury and Huddersfield, and a very populous intervening district, and with excellent termini in Leeds and Manchester. The prospects of traffic have always been considered favourable; and when it is remembered that the guarantee is contingent on the dividend of the main line, and that while the returns of the London and North-Western Company continue 7 per cent., it is limited to £4 18s. per cent., there seems every reason to hope that the result of this undertaking will be satisfactory.

The Preston and Wyre is leased to the London and North-Western Company, jointly with the Lancashire and Yorkshire Company; the latter having two-thirds, and the London and North-Western one-third of the risk.

The North Union line is also a joint lease with the Lancashire and Yorkshire Company, at 10 per cent. per annum. The loss on this undertaking has been charged in the revenue account of the general concern, and in both cases it is not improbable that any loss will entirely disappear with the return of commercial prosperity.

The Shropshire Union lines are guaranteed a dividend equal to half of that of the London and North-Western Company, but are entitled to any profits on their own line as far as 6 per cent.; further profits to be divided equally between the two companies. The nominal capital is large, but the Shropshire Union Company has at present confined its outlay to the formation of a line from Shrewsbury to Stafford; the calculations appended refer only to that work, which brings a new and important district into immediate connection with the centre of the London and North-Western Company's lines. The canal forms a portion of this guarantee, but as it has produced a net profit considerably above the guarantee, and is not likely to be seriously affected by surrounding interests, the directors feel much confidence in assuring the proprietors that they do not anticipate any drain on their resources from this undertaking.

The Stour Valley line will be an expensive work, and the cost will exceed the original estimate, in consequence of the line passing through a densely-peopled district, which rendered it difficult to calculate its expense.

The guarantee of two-thirds the dividend of the London and North-Western Company is on £565,750. The guarantee of the Birmingham Canal is also connected with this undertaking; but as the revenue of the canal is now yielding more than sufficient to cover it, this liability, the directors trust, may be considered as nominal.

It may not be out of place here to allude to the negotiations which have been for some time pending with the Great-Western and South-Western Companies. A principal object has been to save capital on new lines, by a union of interests where the parties occupy the same districts. It would be premature to specify the particular points at which they contemplate this economy; but should the arrangements now proposed be carried out, the effect would be materially to reduce the general expenditure.

The only remaining guarantee is that to the Scottish Central Company, which is taken in concert with the Lancaster and Carlisle, Caledonian, and Edinburgh and Glasgow Companies. The lease is 7 per cent. on a capital not exceeding £1,020,000 (of which this company's proportion is one-fourth); and as the loss, if any, is to be borne only in proportion to the traffic which each company receives from it, the risk is inconsiderable.

The directors may dismiss, therefore, this description of engagements with remarking, that if they do not offer any early or flattering prospects of profit, neither as a whole (taking into account the additional traffic to be brought upon the old lines) are they calculated to prove a lasting burden on the company; and further, that the control of the working of these important branches will add to the strength and security of the whole undertaking is beyond doubt; and when time has been afforded for the full development of their resources, it is not unreasonable to expect that profit also will be derived from them. In dealing with these engagements, therefore, the directors assume that the liabilities will be met by the proceeds.

The next class of obligations is that in which the company hold stock in undertakings not yet opened, or only partially so. The amount of capital thus contributed, as per schedule 3, is £4,945,231.

The directors are aware that the net revenue to be derived from these several lines may be variously estimated; but however sanguine may be the expectations of those competent to form an opinion of what may probably be realised in a few years, they desire in this statement to take a safe view of the probable results.

In estimating, therefore, the net proceeds of these undertakings at $3\frac{1}{2}$ per cent., they by no means wish to convey an impression that such is likely to be the issue, but rather to place the calculation on so low a scale as not to be open to question.

The subscription to the Caledonian Company is so limited in extent that a very small dividend would not entail much loss.

The Lancaster and Carlisle line has paid the company 4 per cent. on its stock since the opening, and the traffic has so largely increased that an early advance of dividend may be expected. There will consequently be a direct profit on this stock, and one which the directors feel confident must steadily improve.

The branch lines embraced in the second schedule comprise extensions into new districts, such as the Stamford and Rugby Railway, the Clifton branch, connecting the East Lancashire with the Liverpool and Manchester line, the tunnel and new stations in Liverpool, and the enlargement of station accommodation. The last-named portion of this capital cannot be expected to prove remunerative *per se*, but will be necessary to enable the company to obtain the traffic expected to arise from the new lines and extensions about to be opened in various directions. The means of conducting the goods traffic at Liverpool are now quite inadequate to the demand, and, comparatively speaking, a small portion only of the traffic to and from the interior of the country is yet transferred to the railway. The

new station at the north end of Liverpool, and the expected junction with the Sheffield and Lincolnshire line at Manchester, are calculated considerably to increase this business. The capacity of the London and North Western line for receiving and conveying a very large accession of traffic is undoubted; but without the terminal enlargement now in course of being provided, the directors would have found it difficult to manage such an increase as, on a revival of the commercial prosperity of the country, may reasonably be expected.

Having now rapidly glanced at their various liabilities, it remains for the directors to point the attention of the proprietors to the present state of the capital and revenue accounts, and to supply materials which may enable them to form their own judgment of the future returns.

From the summary it will be seen that the total ultimate expenditure is expected to be £25,862,012. The account will, therefore, stand thus:—

Dividend upon total share capital of	£21,047,747, at 7 per cent.,	£1,473,342
Loans, £4,814,265, at 4½ per cent.	216,642	
Less at 3½ per cent. on £4,945,231,		
assumed return on capital of sub-		
sidary lines, as per schedule 3 ..	173,083	
		43,559
		£1,516,901
Working expenses 40 per cent. on gross income		1,011,266
Total		£2,528,167
Average per week, to pay 7 per cent.	£48,618.	

The gross revenue of the year ending 30th June, 1848, was £2,194,093, or an average of £42,194 per week.

It, therefore, remains for the shareholders to decide whether the preceding calculations are sound and moderate; and if so, whether there is a reasonable probability of the gross revenue of the company, from the main line and branches to be opened, increasing to an extent of £6,424 per week, by the year 1852, when all the capital will be called up, and the subsidiary lines be in operation.

To produce such an increase, there is the additional revenue to be derived from all the lines enumerated in schedules 2 and 3; and that steady annual increase, which, with the exception of periods of severe depression, has taken place since the lines were opened; to which should be added that economy of management which increased experience will enable the directors to introduce.

On the other hand, the directors do not overlook the fact that a certain amount of traffic will be abstracted by competing lines. It will be much less than is usually supposed, and the general traffic is secure to the concern.

In conclusion, the directors beg to remark that they have endeavoured to avoid giving an undue colouring to the prospects of the company. At the same time, they have deemed it their duty to arm the shareholders with an answer to the mis-statements that have gone forth; and it will be satisfactory to them to have imparted to the proprietors that confidence which they themselves continue to feel in the undertaking.

By order, H. BOOTH,
 C. E. STEWART, } *Secretaries.*

Euston Station, Oct. 27, 1848."

LONDON, BRIGHTON, AND SOUTH COAST RAILWAY.

THE Directors of this Company have been the first to submit a statement of affairs to the shareholders. The following is the document issued by authority:—

"In the present depressed state of railway property, it appears to the Directors to be a duty towards the Proprietors, to adopt any legitimate means of restoring confidence. For this purpose, they believe that a perfect understanding of the actual state of the Company's affairs is the first requisite. Under ordinary circumstances, the next half-yearly report would have afforded the proper opportunity of publishing such information as might seem desirable; but, in the meantime, so much mischief is done by the prevalent impression that there is some mystery in the accounts of railways, and by the partial and exaggerated statements which, in the present temper of the public mind, and in the absence of proper contradiction, find credence, that the directors believe they shall best consult the interests of the proprietors by at once furnishing them with a short statement, showing, in the clearest and most precise manner, the actual position of the Company's affairs, and the extent of its present and prospective liabilities.

The total capital authorized to be raised by the Acts of the Brighton Railway Company is £7,490,805.

The total amount of capital raised up to the 1st January, 1849, will be, as nearly as possible £6,955,000

Consisting of—

1. Loan capital (1,631,298 <i>l.</i> , at date of last half-yearly report, since reduced by the proceeds of the Six per Cent. Stock applied in extinction of debt)	..	..	..	1,303,000
2. Preference Share Capital, viz. :—				
Five per Cents.	..	..	£644,000	
Six per Cents.	..	..	393,000	
				1,037,000
3. Ordinary Share Capital	..	..	..	4,615,000
				<u>£6,955,000</u>

The further expenditure requisite to close the capital account, by the completion of the different works in progress, is so limited, and most of the contracts are so far advanced, that the following estimate is given, with a high degree of certainty that it will not be exceeded, unless the increase of traffic should be so considerable as to require an amount of accommodation not at present foreseen.

1. Arrears of accounts for works, land, law, &c., on lines already opened	£63,300
2. Further expenditure to complete lines and works in progress, viz.:—The Hailsham and Eastbourne and Thames Junction Branch, the Bricklayers' Arms and Portsmouth Stations, and materials ordered (turn-tables, cranes, sleepers, &c.) ..	68,800
3. Engines ordered, coke ovens, carriage sheds, improvement of Brighton Station, &c.	70,000
	<hr/> £202,100

Or say, including all contingencies, £240,000.

The only remaining item is the enlargement of the London Bridge Station, the amount of which cannot be precisely ascertained, but it is confidently believed that in any event the estimate of £150,000, given by the Committee of Investigation in May last, will not be exceeded. Taking it at this figure, the extreme limit of further capital required to close the capital account will be £390,000, against which must be set about £145,000 of available assets, consisting of £60,000 to be paid by the South Western Railway Company for the purchase of a joint interest in the line into Portsmouth; £15,000 due from the Steam Packet Company; £32,000 of calls in arrears, surplus land, engines to be resold, atmospheric materials, &c. This leaves £245,000 of additional capital which will be required during the next two years. As the existing shares of the company are all fully called up (with the exception of a final call of £1 on the 6 per cent. preference shares, appropriated to paying off loans), this additional capital must be raised, either by the creation of fresh shares or by loan, for both of which sufficient powers are contained in the Company's Acts. The directors fully expect to be able to raise the requisite amount without the necessity of creating fresh shares, for the following reasons:—

1. The existing mortgage debt of the company is unusually small, being less than one-fifth of the total capital.

2. The existing debt falls due at periods which are distributed over the next eight years, only about £125,000 falling due up to the beginning of 1850.

3. The security afforded is intrinsically superior to that upon which money is commonly advanced on mortgage, there being upon the present actual receipts and expenditure, a net income

of at least £260,000 a year, after deducting all expenses, pledged for the payment of £60,000 or £70,000 a year of interest.

For these and other reasons, coupled with the fact of their having recently obtained renewals of several considerable sums which have fallen due, the directors look forward with confidence to being able to meet the existing liabilities distributed over the next eight years, and to raise the small amount of additional capital required, without creating new shares.

In this case the final capital of the company will consist of £7,200,000, viz :—

1. Loan capital	..	..	..	£1,548,000
2. Share capital entitled to preferential dividend	..	..	..	1,037,000
Ordinary share capital	..	..	..	4,615,000
				<hr/>
				£7,200,000

The actual receipts of the company from traffic, and other sources of revenue, for the first half-year of 1848, were £194,805; from the 1st July to the 14th October, they have been £168,350; and for the whole of the year 1848, they may be estimated, with a slight margin for the contingencies of traffic during the next two months, at £450,000.

The expenses of every sort for the first half-year amounted to £90,226.

The expenses for the present half-year will not, as far as the directors are able at present to ascertain, much exceed those of the first half-year, notwithstanding the larger amount of traffic; and on the whole they feel confident that the total expenditure of the year 1848 will not exceed £190,000.

This would leave a net income of about £260,000, being equivalent to a net return of nearly 4 per cent. on the whole productive capital which has earned revenue, or of about £3 10s. per cent. per annum on the ordinary share capital, after providing for interest and preferential dividend.

With regard to the probable future return, when the whole capital of £7,200,000 is expended, it is thought better not to go into any speculative estimate. Some of the proprietors may have seen an estimate lately given in the *London Weekly Railway Share List*, published under the authority of the committee of the Stock Exchange, by which it is made to appear that a gross annual traffic of £609,340, or at the rate of £11,718 per week, would be required to pay a dividend of 4 per cent. on the share capital. This estimate is altogether erroneous, for the following reasons :—

1st. The working expenses are assumed to amount to £274,203 per annum, whereas the actual working expenses for the year 1848 will be under £190,000. The mistake arises from

assuming that the ratio of expenditure to receipt will be the same as it was for the first half-year of 1848, or 45 per cent. ; while, in point of fact, the high ratio of expenditure to receipt for the first half-year, when the traffic is small, is counterbalanced by the lower ratio of the second half-year, when the traffic is large ; and the general average of the year will only be about 41 per cent. Any estimate of expenditure by per centage is, however, quite fallacious, since by far the greater part of the expenses are fixed, and do not increase in proportion with an increase of traffic, as is shown by the fact above stated, that the ratio of expenditure to receipt on an average traffic of £7,500 per week, during the first half-year, is 45 per cent., while on an average traffic of £10,000 per week, during the second half-year, the ratio is only about 38 per cent. A traffic of £11,700 per week might be carried with ease by ten trains daily each way between Brighton and London in summer, and eight in winter, the number now running, and therefore the additional expenditure would be comparatively small.

2nd. The total ultimate Capital is assumed to be £7,440,930, being £240,000 in excess of what has been already given as the real amount ; and the present amount of loan and preferential capital is stated as £2,737,454, instead of £2,340,000, which is the actual figure, from overlooking the facts that only £393,000 of guaranteed 6 per cent. stock has been issued instead of £461,855, and that this amount is not a creation of new capital, but in substitution for an equal amount of loan capital.

3rd. The rate of interest on the whole of the loan capital is assumed to be $5\frac{1}{2}$ per cent. This appears unreasonable, looking at the fact that the present average rate of interest paid by the company is only about $4\frac{1}{2}$ per cent., and that only £125,000 of the debt falls due up to the beginning of 1850.

Irrespective, however, of any question as to the rate of interest, which may be a matter of opinion, the positive errors under the first two heads would diminish the net sum available for dividend, by an amount which may be safely stated as at least equivalent to an additional one and a half per cent. of dividend on the share capital.

The principle and general accuracy of the accounts from which the above statement has been prepared have been already tested, both by the auditors appointed at the general meeting in April last, and by an independent accountant of experience employed by the committee of investigation. The directors court the fullest inquiry, and will at any time be prepared to submit the accounts of the company to any further scrutiny which may be considered desirable by the Proprietors.

19th October, 1848.

S. LAING, *Chairman.*"

LIST OF FAILURES IN CALCUTTA, DURING THE PAST YEAR.

THE following particulars of the chief failures in Calcutta occasioned by the late panic, are compiled from the Indian journals.

BIRLEY, CORRIE, & Co.—Their principal losses were from large purchases of bills drawn under London credits, which afterwards proved useless. Not a stain attaches to the name of any of the partners, but, on the contrary, a feeling of sorrow for their misfortunes.

CARR, TAGORE, & Co.—"Union Bank."

CHURCH, LAKE, & Co.—Brought down by the awful depreciation of India produce in the English markets. The only blame which can in any way be attached to them is over-speculating; nothing dishonourable has been alleged.

COCKERELL & Co.—"Union Bank." At the same time it may be remarked, that one of the partners of this firm wrote several years ago to the London house, that the concern here was rotten, and recommended its being closed, but this did not suit their purpose, as it now appears, by the statement of the affairs of Cockerell, Larpent, & Co., of London, that they could not have gone on without the assistance of the house here in kite-flying.

COLVILLE, GILMORE, & Co.—"Union Bank." Much of the injury in Calcutta was caused by the bills this firm sold under the credits of Barclay, Brothers, of London, who had good credit here, but it now appears without cause.

H. & A. CROOKE & Co.—Large sugar dealers, by the fall in which they had been ruined; no fault is, however, attributed to the partners.

EWING, AIRD, & ANDERSONS.—A house doing a good steady business, but were completely ruined by the failure of *Gower, Nephews*, of London, whose agents they were, for the purpose of drawing bills under credits for the supply of the *Mauritius* estates, which bills coming back cause their downfall.

B. T. FORD & Co.—A young house, with quite sufficient capital for their trade, but, unfortunately for themselves, placing too much confidence in *Ricards, Little, & Co.*, to whom they shipped goods, and drew under credits; the goods were taken by the London house, but the bills were not paid.

HAWORTH, HARDMAN, & Co.—Ruined by the fall in sugars, coupled with bad bills purchased under London credits for remittances. At the the meeting of their creditors, unanimous sympathy was expressed towards them.

HICKEY, BAILEY, & Co.—Indigo and general brokers, *Union Bank*. At the meeting of their creditors, severe strictures were passed as to the manner in which their accounts had been kept, and the unwillingness shown by some of the partners to give any information to their creditors.

HUGHESDON, BROTHERS.—In consequence of the favorable accounts, the principal partner in this firm heard of Messrs. Cockerell, Larpent, & Co., of London, and finding, on his return to Calcutta, that bills under their credits were procurable at favorable rates, he was induced to enter into extensive exchange operations, which lost the house the confidence of their London friends, and ultimately proved their ruin. Some dissatisfaction was shown by their creditors on account of an apparent preference given to the representatives of Messrs. *Henderson & Co.*, of London.

LACKERSTEEN, BROTHERS.—A house of undoubted capital, and brought down by several circumstances over which the most prudent could have had no control. Their creditors, one and all, expressed the greatest sympathy in their misfortunes.

LAKE, HAMMILL, & Co.—Brought down by the unprecedented fall in sugar and rice in the English markets, of which they were heavy shippers.

LIVINGSTON, SYERS, & Co.—A house of long standing and respectability, ruined by the purchase of London credit bills, and serious fall in sugars, but nothing of "commercial immorality" was in any way alleged against them.

LYALL, MATHESON, & Co.—*Union Bank*. However their liabilities to that concern only came to about Rs. 80,000, not a large amount for a house of this standing; in other respects, their mercantile character remains unsullied.

OWEN, ALLHUSEN, & Co.—Agents for T. and H. Murray, to whose order they shipped considerable quantities of produce, and reimbursed themselves by drafts under credits, which, not being paid, caused their failure.

SAUNDERS, MAY, FORDYCE, & Co.—Men of capital, and highly respected, were agents for Reid, Irving, & Co., under whose credits they drew for the supply of money to the Mauritius, and were consequently ruined. Every mercantile man in Calcutta will bear testimony to the unsullied character they have ever possessed, and do possess to this day.

SHEARMAN, MULLENS, & Co.—Agents for *Perkins, Schlusser, and Mullens*, of London,—brought down by their failure; the partners were highly respected, and not a breath of slander has been spoken against them.

SMITH, COWELL, & Co.—Agents for the "Santipore Sugar Company," in which capacity they drew under credits from Messrs. Samuel Phillips, of London, and Murrays of Liverpool, both of which houses having failed, they were made legally responsible for the drafts, and consequently obliged to give way. The partners here were men of capital, and lost their all by over confidence in their London and Liverpool correspondents.

J. WIENHOLT & Co.—Brought down by purchases of bills under London credits, and losses sustained in produce; nothing, however, against their character, as mercantile men, has ever been mentioned.

OUR EXPORT TRADE.

By Parliamentary returns which have just been published, we learn that the amount of our exports to the following markets in 1847, compare with former years in the following manner:—

EXPORTS—BRITISH PRODUCE AND MANUFACTURES.

	1847.	1846.	1845.
	£	£	£
British West Indies	2,273,041	2,505,695	2,789,211
East Indies and Ceylon	5,470,103	6,424,476	6,703,778
China	1,503,969	1,791,439	2,324,827
Mauritius	223,563	310,231	345,059
British North American Colonies	3,231,480	3,308,059	3,550,614
New South Wales and Australian Colonies	1,644,170	1,441,640	1,201,076
United States	10,974,161	6,830,460	7,147,663
Cuba	896,540	844,112	695,379
Brazil	2,568,804	2,749,338	2,493,306
Mexico and Central S. America	2,486,551	2,816,123	3,485,880

The most remarkable fact in these returns is the large increase in our exports to the United States in 1847, caused by the extraordinary demand for grain and other agricultural produce of that country. It will be seen that the increase was from £6,830,460 in 1846 to £19,974,161 in 1847.

Banking and Commercial Law.

ON THE LAW OF CHEQUES.

Cheques as instruments of evidence.

ONE of the advantages which result from keeping an account with a banker is the proof which is furnished, by means of the cheques, of the payment of the debts for which they are drawn. So much reliance is placed upon this proof that receipts are often dispensed with when the payment is made by cheques, and thus the stamp duty is saved, and any appearance of want of confidence is avoided. It cannot, however, be considered a practice that should be universally relied upon, and in some cases may be carried so far as to leave the party making the payment without any evidence that he has done so. The subject has been before the Courts on several occasions, and the conclusions which are to be drawn from the decisions will no doubt be found to be practically useful. We shall therefore proceed in this paper to place them before our readers.

1. Where a cheque is drawn in favour of a party, and is endorsed by him and paid, or if the cheque be not endorsed, if the receipt of it be proved by other means, it will be evidence of payment to that party. Thus in an action for a debt,—

The defence was, that the debt had been paid.

To prove this, the defendant produced two drafts drawn by him on his bankers in favour of the plaintiff, and which had been paid; on one of them the name of Egg (the plaintiff) was endorsed; and on the other the name of Wilks, whom the defendant proved to be a person employed by the plaintiff to receive money for him.

Erskine, for the plaintiff, objected to this evidence as inconclusive, inasmuch as any person's name might be used in a cheque on a banker; and that if it had been given as payment, the fact of the so giving it ought to be proved.

Lord *Kenyon*, however, said, "Bills of exchange are made payment by the statute. This is not merely using the name in the body of the draft, which is arbitrary, and would of itself be certainly no evidence, but here the money has been actually received by Egg (the plaintiff) and his servant, for their names are put on the back of the cheques, as receiving the money. This is evidence to go to the jury. *If there were any other transactions between the plaintiff and the defendant to which the drafts could be applied, it would be open for the plaintiff to show it.* I think it evidence of payment, as the giving of the draft may be coupled with the transaction of there being dealings between the parties, though it would not of itself be evidence of a debt." *Egg v. Barnett*, *Espinasse's Reports*, vol 3, p. 196.

In another case, where a cheque signed by B was proved to have passed through the hands of A, and to have been appropriated by him to his own purposes, it was held that the cheque was *prima facie* evidence of payment. *Boswell v. Smith*, 6 Carrington & Payne, 60.

In *Lloyd v. Sandilands*, Gow's Reports, p. 15, it appeared that a cheque for £2,242 1s. 6d., drawn by the plaintiff upon her bankers, Messrs. Ransom, Morland, and Co., and made payable to the defendant, had been presented at that house for payment, and that £1,300, part of it, was carried to the account of the defendant, who likewise banked there, and the residue was paid to the person who presented the cheque. There was no evidence, however, to show that the plaintiff had given the cheque to the defendant, or in any other manner to connect them with it.

For the plaintiff it was contended, that as part of the cheque had been carried to the credit of the defendant in the bankers' books, it was *prima facie* evidence that the defendant received the cheque from the plaintiff, and therefore required explanation. But Mr. Justice Dallas said,—“Although the cheque is made payable to the defendant, yet it might have been given to a third person, and through that third person might have got into the hands of the defendant. The plaintiff and the defendant are not by this evidence connected with the cheque. *This is not proof of payment.*”

This case, which appears to conflict with those cases which precede it, was fully considered and explained in the following decision, which is the most recent which bears upon the subject.

In *Mouniford v. Harper*, which was an action for money had and received, the defendant pleaded payment before action brought. At the trial, before the under-sheriff for Staffordshire, the following facts were proved. The defendant, who was the steward of Mrs. Offley, to whom the plaintiff was tenant, having received a sum of money, paid by the Grand Junction Railway Company, to be handed over to the plaintiff in respect of damage done to his interest as tenant, drew a cheque upon his bankers for £15 in favour of the plaintiff, which the latter presented for payment at the bankers, and received the proceeds. *There was no proof that the cheque had been given by the defendant to the plaintiff.* Under these circumstances it was objected on behalf of the plaintiff that sufficient proof of payment had not been produced, and that further evidence ought to have been given to connect the plaintiff with the receipt of the cheque. The under-sheriff was of this opinion; and under his direction the jury found a verdict for the plaintiff, on the plea of

payment, leave being reserved to the defendant to move to enter a verdict for him upon the issue raised on that plea.

A rule nisi having been accordingly obtained, Baron Alderson said, "I think the delivery of the proceeds of the cheque to the plaintiff was evidence of payment to him. In the judgment of *Dallas, C. J.*, in *Lloyd v. Sandilands*, where he states that the circumstance of a cheque being made payable to the defendant, and the defendant having received payment of it 'is not proof of payment;' the word 'payment' is incorrectly used for 'debt.' That was the only case that embarrassed me, all the other authorities are clear. The rule must be absolute to enter a verdict for the defendant on the plea of payment."—*Mountford v. Harper*, 16 Law Journal Repts. (Exch.) p. 184.

2. *But the possession of such a cheque as the foregoing by the drawer is no evidence of a payment if there be any doubt about the manner in which it has come back to him.* Thus, where the objection relied on was the insufficiency of proof of the petitioning creditor's debt.

With respect to this, it appeared that Smith, the petitioning creditor, was one of the assignees, and was consequently in the possession of all the papers of the bankrupt; and that the debt arose out of the loan by Smith to the bankrupt, of a cheque for £100, drawn by Smith on his bankers, Sir Peter Pole & Co., and crossed by the bankrupt with the names of Messrs. Sykes, Snaith, and Co., his bankers. *The only evidence offered to show the payment of the cheque, was the fact of its being in the hands of the drawer;* but no evidence was given of the manner in which it had got back into his hands. A clerk of Messrs. Sykes, Snaith, and Co., merely proved that £100 were received by them from Sir Peter Pole and Co., on account of the bankrupt, the day after the date of the cheque; and a clerk of Sir Peter Pole and Co. proved that a like sum was on that day paid by them, on account of the petitioning creditor; but neither of these witnesses could identify the cheque.

Mr. Serjeant *Vaughan* and Mr. Serjeant *Cross* contended, that the fact of the cheque having found its way back to the hands of the drawer, was sufficient *prima facie* evidence of its having been paid in due course, and consequently established the petitioning creditor's debt; particularly as the amount was proved to have been received by Messrs. Sykes, Snaith, and Co., from Sir Peter Pole and Co., Smith's bankers, on account of the bankrupt, on the day after the date of the cheque.

Lord Chief Justice *Best* said, "This objection, though manifestly against the justice of the case, must, nevertheless, prevail; there being no evidence from which the jury could legally

presume the existence of the petitioning creditor's debt. The only proof to favour such a presumption was, the possession of the cheque by the drawer; but as it appeared that he, as assignee, had the possession of all the bankrupt's papers, the fact of the cheque being in his hands was not alone evidence of payment. There was no proof that the cheque had actually been in the hands of Messrs. Sykes, Snaith, and Co.; neither was there any proof that this cheque had been paid to them by Sir Peter Pole and Co. In order to identify it, and make it evidence of the existence of the supposed debt, the clerk who paid it should have been called to prove the fact of payment."—*Bleasby v. Crossley*, 11 Moore's Reports, page 327.

3. *The production of such a cheque is no evidence of a debt from the payee to the drawer.*

This has been already stated incidentally in some of the foregoing judgments. The following case is expressly in point. It was brought by the plaintiffs, as executors, for money lent to the defendant by the testator in his lifetime. The testator had died in the year 1798.

It was proved that in his lifetime he had kept cash at the house of Wright & Co., who were bankers, and who had also been bankers to the defendant since the testator's death, so that the person of the defendant was well known at the banking-house to the clerks employed there.

To establish the loan of the money by the testator to the defendant, the plaintiff then produced a draft drawn by Greatorex, the testator, in his life time, on Wright & Co., his bankers, in the month of February, 1797, payable to the defendant, and it was proved by a clerk in the banking-house that that draft had been paid to Gerrish, the defendant, out of the money of the testator at that time in their hands.

Lord Kenyon said, "This is no evidence to establish a debt. No evidence is offered of the circumstances under which the draft was given; it might be in payment of a debt due by the testator, or the defendant might have given cash for it at the time. From the circumstance of the defendant's name being used in the body of the draft, no inference can be drawn; it is perfectly arbitrary what name is used in drawing a draft on a banker; a man uses the name which first occurs to him; if the plaintiff had shown any money transactions between the defendant and the testator, from whence a loan could be inferred, or any application by the defendant to borrow money at the time,—that, coupled with the giving of the draft, might be evidence to go to the jury, but standing a naked transaction, as this does, it is not evidence, and the plaintiff must be nonsuited." *Cary et al., Executors of Greatorex, v. Gerrish*, 4 Espinasse's Reports, 9.

4. *Where the cheque is not received as money, and is not cashed, it will not operate as evidence of a payment.*

Thus, in the case of *Hough v. May*, it appeared that the plaintiff's account amounted to £8 18s., and that several applications had been made to the defendant for payment. On the 7th November the defendant sent a cheque in the following form to the plaintiffs :—

“7th November, 1835.

“Messrs. Dorein & Co.,

“Pay Messrs. Hough & Co. balance account railing, or bearer,
£8 11s.

“£8 11s.

“William May.”

On the 13th the plaintiff's attorney wrote a letter to the defendant, informing him that the cheque was lying at his office uncashed, and the defendant might have it back. The undersheriff left it to the jury to say whether the cheque was received as payment of the £8 11s.

The jury found their verdict for the plaintiffs for £8 18s. saying that the cheque was not received as money; and leave was reserved for the defendant to move to reduce the verdict to 7s., if the Court considered that the cheque operated as payment. A rule was accordingly obtained and argued.

Lord Denman said, “There really is no doubt upon the matter. The question at issue is, whether the plaintiffs have been paid to the amount of £8 11s. The cheque of itself could not be any payment; it must either have been accepted at the time as money by the party taking it, or it must have been afterwards paid. Besides, this was a conditional cheque for the payment as a balance, and on that account could not be a payment, for the party was not on that account bound to receive it.” *Hough v. May*, 2 Harrison's Reports, 33.

THE LAW OF CHEQUES.—CHEQUES MUST CONTAIN THE NAME OF THE PLACE WHERE DRAWN.

BOBART v. HICKS.

Oxford Circuit, Abingdon, 14th July, 1848. Before Mr. Baron Rolfe.—This was an action of *assumpsit* by a farmer living near this town, against a cornfactor, for £115, the price of 41 quarters of wheat, sold by the former to the latter. The wheat was sold by Bobart to Hicks at 56s. a quarter, on Tuesday, the 5th of October, 1847, and by Hicks to a Mr. Sharpe, a miller, on Wednesday, the 6th of October, at 57s. a quarter, who paid Hicks on Tuesday, the 12th of October, by a cheque on Knapp and Co., bankers, of Abingdon, for £117 17s. On that day Hicks met Bobart, and, being in a hurry, gave him the cheque on account of the £115, Bobart saying that he would repay him the balance on the following Friday. The plaintiff, instead of sending or taking the cheque to Knapp and Co.'s, gave it to a clerk of the Berkshire Union Bank, which company forwarded it to their London correspondents. The letter enclosing it reached London on Thursday, but was not opened till Friday, the 15th. The cheque ought to have been presented on

the Wednesday, and Knapp and Co. paid all cheques and claims up to Thursday night, and only failed on Friday morning. The plaintiff then, finding the cheque valueless, brought this action. The question raised by the pleadings was, whether the plaintiff received the cheque for and on account of the price of the wheat? In order to support the defendant's case, it was ruled to be necessary to produce the cheque. The plaintiff's counsel objected to its reception, on the ground that it did not contain the name of the place where it was drawn, and consequently could not be admissible in evidence without a stamp, under the 31st George III., chap. 25, sec. 19. It was headed, "Messrs. Knapp and Co., Abingdon," the latter word being, it was argued, clearly a description of the locality of Messrs. Knapp and Co.'s bank, and not of the place where the cheque was supposed to be drawn, and so the case was distinguishable from "*Strickland v. Mansfield*," (5 *Queen's Bench Rep.*) where the cheque was headed "Dorchester Old Bank," in which the Court held that "Dorchester" indicated the place where the cheque was drawn, and was not merely a description of the locality of "Old Bank."

His Lordship was of opinion that the cheque was not admissible without a stamp; and thereupon it was arranged that a verdict should be taken for the plaintiff, with liberty to the defendant to move to have the verdict entered for him if the Court above should be of opinion that the cheque was admissible in evidence notwithstanding that it was not stamped.

Should the Court above concur in considering a stamp necessary, it would seem that as this cheque was the ordinary form of cheque given to customers by Knapp and Co., that all the cheques of the firm were void.

COOPER v. EMBERLIN.

This was an action, tried at the same Assizes, before Mr. Baron Platt, on the 17th July, 1848, relating to the same subject as the above.

The plaintiff was the public officer of the London and County Bank, which has a branch at Abingdon, and the defendant was a tradesman, who was in the habit of having his bills made payable at the London office of that bank. On the 12th of October last he went to the branch office at Abingdon, and left an advice paper for a bill of exchange for £17 19s., which would be payable next day, and laid on the counter a cheque for £15 on Knapp and Co., of Abingdon, and three sovereigns, and a shilling for commission. The bill in London was duly paid on the 13th, and the Oxford branch forwarded the cheque by a letter on the 12th to Knapp and Co., but that house, having been in difficulties at the time, did not open the letter, and on the 15th they became bankrupt, and their assignees returned to the London and County Bank the letter and cheque, the amount of which it was now sought to recover. It was opened for the plaintiff that the cheque was void, for the same reason as another cheque, drawn on the same firm of Knapp and Co., was ruled to be so in the case of *Bobarts v. Hicks*,—namely, that the place where the cheque was drawn did not appear on the face of it, and that to make it a valid cheque it required to be stamped. The case of "*Bond v. Warden*," 14 L. J. N. S. (Ch.), was cited, where Vice-Chancellor Knight Bruce decided a cheque so drawn to be valueless. The cheque was given in evidence in support of the plaintiff's case, in order to show that it was void for the defect above mentioned. It was afterwards objected, on the part of the defendant, that the cheque being in evidence that objection could not be relied on, and also that the place where the cheque was drawn sufficiently appeared on the face of it, it being headed—"Messrs. Knapp and Co., Abingdon."

His Lordship ruled against both objections, and a verdict was taken for the plaintiff, subject to leave being reserved to enter a verdict for the defendant, if the Court above should be of opinion that the cheque was a good one.

CASE OF CONTRAVENTION OF THE SAVINGS' BANK ACT.

FEW Acts of Parliament appear to be contravened to the same extent as those relating to Savings' Banks. Numerous instances might be adduced: one, however, has recently been brought to the knowledge of Mr. Tidd Pratt, the Barrister of the National Debt Commissioners, to which it may be useful to point public attention, although he has already given the necessary directions on the subject.

The 35th Section of the Savings' Bank Act of 1828 declares, that it shall not be lawful for the trustees to receive from any one present or future depositor, any sum or sums exceeding £30 in the whole, exclusive of compound interest, in any one year, ending on 20th November; *nor to receive from any depositor any sum or sums of money whatever which shall make the sum to which such depositor shall be entitled exceed the sum of £150 in the whole.* A provision is then added, that whenever the sum or sums standing in the name of any depositor shall amount in the whole to more than £200, principal and interest included, no interest shall thenceforth be payable on any such deposit so long as it shall continue to amount to the said sum of £200.

It appears, that by the interpretation which has been put upon this clause by the Savings' Bank officers, deposits have been received from an individual depositor, even after the sums to which such depositor was entitled have exceeded the sum of £150 *in the whole*, those officers contending that that sum refers to principal only, and not to compound interest also; an interpretation which is evidently erroneous, because the words "in the whole" have been expressly added, and clearly show—in connexion with other stipulations relating to the allowance of compound interest, particularly that in the 16th clause—the intent and meaning of the framers of the Act to have been, that after a depositor's account shall have reached the sum of £150, by payments of principal and by accumulations of interest, no further sum is to be received from him, but that compound interest will continue to be added to his account until it amounts to the sum of £200.

A further proof that the interpretation now directed by Mr. Tidd Pratt to be put upon the clause in question, and acted upon accordingly, is correct, is to be found in the provision relating to the accounts of those depositors, which, on the day of the passing of the Act, amounted to or exceeded the sum of £200. After enacting that nothing contained in the Act shall prevent the trustees of any Savings' Bank from paying interest to any such depositor, it is provided that no further sum shall be received

from him so long as the sum to which he shall be entitled shall amount to or exceed the before-mentioned limit of £150.

Mr. Tidd Pratt has, we are confident, experienced too much cavilling opposition from some Savings' Bank officers, in his attempts to enforce the observance of the Acts of Parliament, to make him careless in the preparation of his proposed bill to amend those Acts, we may, therefore, look for more unity of action on the part of those persons to whom they refer than has hitherto been observable, or at least the utmost possible effort to produce that desirable result.

Communications

To the Editor of the Bankers' Magazine.

THE BIRMINGHAM CURRENCY THEORY.

[THE following well-written letter has been addressed by Mr. Salt to Sir Robert Peel, on the subject of the late currency debate in the House of Commons: and we think it sufficiently important to deserve recording in our pages.—Ed. B. M.]

SIR.—I have hesitated to address you on the subject of your speech on Mr. Herries's motion, considering it too great a penalty on a member of Parliament that a speech in the House should subject him to a correspondent out of it; but I have this day received so many applications, by letter and otherwise, not to let your observations on my evidence pass unnoticed, that I am compelled to think the case warrants the intrusion.

Allow me, Sir, in the first place, to thank you for your strictures on Mr. Richard Spooner. If he did allow himself to be browbeaten on the secret committee into a denial of the currency doctrines I maintained, and whose truth he will not dispute, or if he thought it expedient not then and there manfully to stand by them against all odds, it was a moral weakness deserving your reproof; but I think I may venture to answer for him, that if he did commit this error, he will amply redeem it on the very first occasion the question shall be discussed in the House of Commons, and it appears it will be discussed again, though settled for ever in 1819, and again finally settled in 1844.

Allow me, Sir, to draw your attention to the strange significance of this perpetual resurrection, which comes like the imperishable evidence of ill deeds done. It is in vain that all inquiry has been pertinaciously refused, all discussion repressed by every unfair influence, all dissent from the bill of 1819 treated as folly or fraud. Burking, browbeating, mystification have been vain, the question ever re-appears in more formidable shapes, and more irresistibly demands attention; and now, by a singular fatality, yourself, the author of the bill, and head of the opposition to its re-discussion, make a quotation from my evidence before the secret committee, more calculated than any other to challenge public attention.

I reproduce your quotation:—

"Sir Robert Peel asked—Will you state whether I correctly understood you as saying that national paper should be issued *ad libitum* till the period when prices were remunerative, and every industrious able-bodied man found full employment?—Certainly.

"When that object was achieved, you would fix your standard at that point?—Yes.

"Till you had achieved that object, till prices were remunerative, and all

CASE OF CONTRAVENTION OF THE SAVINGS' BANK ACT

Few Acts of Parliament appear to be contravened to the extent as those relating to Savings' Banks. Numerous might be adduced: one, however, has recently been brought to the knowledge of Mr. Tidd Pratt, the Barrister of the Debt Commissioners, to which it may be useful to pay attention, although he has already given the necessary notice on the subject.

The 35th Section of the Savings' Bank Act of 1863, that it shall not be lawful for the trustees to receive from one present or future depositor, any sum or sums exceeding in the whole, exclusive of compound interest, in any sum or sums of money whatever which shall make ending on 20th November; nor to receive from any depositor which such depositor shall be entitled exceed the sum the whole. A provision is then added, that whenever sums standing in the name of any depositor shall amount to more than £200, principal and interest interest shall thenceforth be payable on any such deposit as it shall continue to amount to the said sum of £200.

It appears, that by the interpretation which has been given to this clause by the Savings' Bank officers, depositors who have received from an individual depositor, even if the sum which such depositor was entitled have exceed £150 in the whole, those officers contending that the sum to principal only, and not to compound interest, is the interpretation which is evidently erroneous. The words "the whole" have been expressly added in connexion with other stipulations relating to compound interest, particularly that the account after a depositor's account shall have been settled by payments of principal and by interest, the further sum is to be received, the interest will continue to be added to the sum of £200.

A further proof that the interpretation of Mr. Tidd Pratt to be put upon the clause is accordingly, is correct.

able-bodied industrious men had employment, we should have an unlimited issue of paper?—Yes; the only reason I say that is, that under the present system we have so far departed from what is right in the basis; we have had such extraordinary fluctuations, that we cannot now tell where we are. It is necessary to take an observation, but the great principle is, that the labourer should have his wages, the manufacturer his profit, and that the creditor should have his due—that the labourer should have his value for his labour as well as the wealthy man, the creditor the value of his money.

“Do I correctly state your views when I state that you would propose that national paper should be issued without limit, or without any reference to any metallic standard of value, until the period shall have arrived when the prices generally should give to every able-bodied industrious man full employment?—You correctly understand me.”

It does not, Sir, appear clearly in the report of your speech what was your object in making this quotation from my evidence; but from the general tenor of your observations, and from the “laughter” and “much laughter” in the House, I infer that you meant to impress your hearers with the belief that the scheme was wild and visionary. If these were your objects and views, they were in direct opposition to 50 years of facts.

During the whole of the war a sufficient issue of inconvertible paper money did, as you well know, maintain remunerative prices and full employment for labour.

With this great fact in evidence before you, where was your warrant to treat my evidence so lightly? But let us see what follows:—

Under the paper system the country was powerful, prosperous, contented, and loyal. The prosperity of the country was proved by its power of paying taxation. The preparation for your bill began in 1816; in 1819 it was finally passed. The whole scene was changed. An unparalleled depression of prices filled the country with ruin and insolvency, and the labourers were at once thrown out of employment. The peasantry firing the ricks; the Luddites breaking the machinery; the blanketeers and colliers marching to London; the Cato-street plot; the Peterloo massacre; misery, insolvency, disorder, and discontent everywhere gave fearful evidence of the agony that was convulsing society, and threatening its entire dissolution.

Was all this suffering, so unparalleled in its extent and severity, the effect of your act? Was it indeed this act that did convert the wealthiest and most industrious nation on earth into a mass of disaffected and desperate insolvents and paupers? The ruin followed the act; the suspension of the act was the remedy sought.

In 1822, Lord Castlereagh brought in five bills, all tending to the suspension of the operations of the Act of 1819. An unequalled prosperity followed. If the evil was not in the bill, how came it so closely to follow its enactment? Why was its suspension the only remedy ever sought? Wherefore was its suspension followed by such a burst of prosperity? The issue of paper money did restore remunerative prices and the full employment of labour, the contentment of the people, and their attachment to the institutions of the country. The renewed operation of the bill was marked by a renewal of the national calamities and discontent.

It is further in evidence that in every subsequent period of distress, the only remedy resorted to by each successive Government was still a relaxation of the bill, even down to the Chancellor of the Exchequer's letter of October, 1847, and the relief obtained has always been in proportion to the degree of relaxation. The *experimentum crucis* has been repeated during thirty years, always with like results.

When the vast calamities attendant on that gigantic error are considered, the persevering attempts to conceal their source from public indignation

are explained. Hence the counting out of the House, the pretended scorn of the Birmingham opinions, the ridicule heaped on them, the charge of fraud brought against them. All these things become clearly explained, and excite no surprise; but I do wonder at the audacity that would continue to maintain a system so fatal. An error so persevered in becomes a crime. It is a crime, if persevered in, the laws may recognize.

I proceed now, Sir, to examine briefly the special effects of the bill in the year 1847.

The potato crop failed, and an importation of food became necessary; the food was imported at a cost not exceeding half per cent. on the national wealth. It might have been paid for in goods or in gold, and the limit of the loss would have been the amount paid, a sum too insignificant, compared to the national resources, to have been perceptible, and the national industry could have replaced it in a few weeks.

But the bill of 1819 had made gold the basis of our whole system: and, therefore, when the gold was exported to pay for the food, the whole system was broken up; and the bill provides that this calamity shall in every case be added to that of a bad harvest; that the abstraction of an infinitesimal part of our money shall destroy our whole monetary system; that the purchase of a small quantity of food shall cause an immense quantity of starvation, by destroying the means of distributing the food, and employing labour. If this were the only evil of the bill, its existence ought not to be tolerated an hour.

Instead of placing the national credit and solvency on the broad and indestructible basis of the national industry and wealth, you have placed all the great national interests on gold, the narrowest and most shifting, and therefore the most unfit basis it was possible to choose. You could not have done worse.

The gold being in quantity perfectly unequal to effect the exchanges needful for the existence of society, an immense and disproportioned superstructure of paper money and credit became a compulsory result, and a certain cause of perpetually recurring ruin.

In framing the bill of 1819 you do not appear to have had a suspicion of this consequence; but in 1844, after an interval of a quarter of a century, this much seems to have dawned obscurely in your mind; but, alas, what was your remedy,—enlarging and securing the too narrow and shifting basis? Not at all; you crippled and limited the superstructure. You left us subject to the whole of your original error, and provided a new one.

The bill of 1844 provides that in proportion as the gold money shall disappear, the paper money shall disappear also. Out of the money thus doubly reduced, the unhappy people are compelled to pay unreduced taxes, and out of the inadequate remnant to discharge unreduced debts, and to provide for the unreduced necessities of their respective stations. So the leaven of the law works its way through all society. The payments cannot be made out of these reduced means; the loss of the credit follows the loss of the money; the means of exchange, employment, and consumption are destroyed, and the world looks with amazement on the consummation of your work—the wealthiest nation in the world, withering up under the blight of an universal insolvency, an abundance of all things beyond compute, and a misery and want beyond relief.

It is true that through all this the price of gold has been maintained at £3 17s. 10d. per ounce, in round numbers call it £4 the ounce, that is to say, four sovereigns weigh an ounce, and therefore gold must always be four sovereigns an ounce. Do you still deny that the price is fixed?

But though you fixed the price, which is the index of value, you did not only not fix the value, but by restoring and maintaining the monopoly of gold

as the only ultimate means of discharging debt, you raised its value indefinitely. But the price was fixed, and therefore the change in value was not ascertainable by the generality of mankind.

This, then, is the whole amount of the benefit of the bills of 1819 and 1844,—that the debtor may be called upon to pay double the value of his debt without knowing he is so defrauded. Your assumed physicianahip amounts to this,—you administer the poison, but gild the pill; the patient dies, but the doctor thrives; your promise is life, your gift is death.

You have fixed the price and raised the value of gold, but you have broken down the value of everything else. Look on the wreck, what interest is there in this vast empire that is not injured? Pass them in review, from the ruined merchant to the workhouse pauper. Have you, Sir, no visions in your sleep?

The bill did promise gold payments, but did keep that promise in strange fashion—not by sufficient supplies of gold, but by limitation of paper money; the amount of gold was not raised to the needful level of paper, but paper was cut down to the arbitrary or accidental level of gold. This limitation of the quantity of money raised its value, and broke down the value of property everywhere below the cost of its production. This is the source of the ruin which presses on the East Indies, on the West Indies, on every part of the empire. You know that free issues of paper would restore prosperity and employment as it did in 1824 and 1825, secure equal justice to the debtor and creditor; and yet you think the subject of no graver import than to serve as a matter of merriment to the ignorant bulk of your hearers.

You are reported, Sir, in all the papers to have said (but it is not credible you should have done so) that the possession of 15,000,000 of gold will secure the convertibility into gold of 48,000,000 of paper. (You seem to have forgotten Exchequer-bills and savings'-banks.) This wonderful bill does not then give us an arithmetical security, but leaves us dependent for its sole boon on some secret and wizard potency. But 48,000,000 is not the limit of our debts, these are thousands of millions. Will 15,000,000 insure their convertibility into gold? Will it provide for the sale of all property, and all the needful exchanges our existence requires?

But we are not even sure of these 15,000,000. Supposing 5,000,000, or 10,000,000, or 15,000,000 of gold to be exported for food, why in that case we are not sure of the bill. It exists then only to hamper us when not needed, and when needed to force convertibility it is to be suspended, so that all our sufferings are borne to maintain an unsubstantial shadow that does not realize its own slender promise.

But, again, on your own showing, under what view do you, the supporter of the bill, foreshadow the suspension of the bill? As a calamity? No, as a relief! You are reported to sum up the 48,000,000 of paper money the bill allows with the explanation, "Is this restriction?" But you make no calculation of the mass of transactions to be performed. What strange political tailoring, to swear to the sufficient size of the garment without any reference whatever to the body it is to cover.

You are reported, Sir, also to have said on another occasion that you believed the Gemini letters must be written by more than one individual, as you felt sure that no one person could be found capable of writing so much nonsense; but for the proof, Sir, which your bills of 1819 and 1844 supply of what may be done by one individual, I should be compelled to believe that your speeches on the currency must be the work of many reporters. It is difficult to believe one person to be possessed of such a fertility of error.

The sole aim of your bill has been to convert paper money into gold. I have shown how signally you have failed in this one object, always excepting your special claim of converting 48,000,000 of paper money into 15,000,000

of gold, for which mutation I suspect few will thank you. In all other respects the whimsicality of your fate has been to establish an universal inconvertibility. Labour cannot be converted into wages, East India estates, West India estates, railway shares, sugar, rice, cotton goods, &c.; in short, all things are inconvertible, except at the cost of utter ruin. There has been nothing like it since the days of Midas.

In opposition to this universal inconvertibility, our Birmingham doctrine is, that money, which is the medium of exchange, should be maintained in such perfect equilibrium with labour and property that it shall always be easy to convert property and labour into money at fair and remunerative rates; that through the wise regulation of this powerful agent, labour shall be fully employed in creating wealth, and that money, which is the organ of distribution, shall keep demand in harmony with production, ministering on the one hand to the wealth and power of the country, and on the other to the happiness of its people.

I have spoken freely, Sir, it is my habit, but I assure you that if a single word personally disrespectful has crept into this letter, it is wholly unintentional on my part. I have wished in all respects to have, as I have felt, the deference due to your rank and station, but I have wished to speak the truth and to state facts. The facts, Sir, are of your creation, not of mine. I cannot alter or disguise them. You have had confided to your administration by our illustrious Sovereign, this most powerful State, of almost unlimited extent and fertility—a people unrivalled in their knowledge, caution, skill, and energy, possessed of unlimited means of creating wealth—and out of all these elements of human happiness your measures have produced a chaos of ruin, misery, and discontent. You can scarcely place your finger on the map and mark a spot in this vast empire where all the elements of prosperity do not exist abundantly,—you cannot point out one where you have not produced results of ruin. Every resource is paralyzed, every interest deranged; the very empire is threatened with dissolution. The Canadas, the West Indies, and Ireland, are threatening secession, and England has to be garrisoned against its people as against a hostile force; the very loyalty of English hearts is beginning to turn into disaffection. Review once more these vast resources and these wretched results, and I trust you will not make the most fatal opinion of your life the only one to which you will persist in adhering.

I am, Sir, very respectfully,

Your humble and obedient Servant,

Birmingham, 28th August.

P. CLUTTON SALT.

IN BANKRUPTCY.—RIGHT OF OFFICIAL ASSIGNEE TO BILLS IN A BANKER'S HANDS.

Dear Sir,—A customer of our bank drew upon one of his customers, a coal-dealer, for 30*l*. The bill, when due, was dishonoured, and the amount passed to the debit of the drawer. Some months afterwards the drawer failed, and the bill still continued in the hands of our bank. By the bankrupt's books it appeared that 10*l*. had been paid in part; and, in order that the estate might receive the benefit of the balance, the official assignee wrote for the bill, which was surrendered by our general manager, although the bankrupt owed a considerable sum to the bank. I would like to know if the official assignee had power in such a case to wrest the bill out of our hands, and if the balance of the bill ought not in justice to have been received by the bank, and applied in part liquidation of its claim upon the bankrupt's estate?

As the matter is of general importance, I trust you will kindly favour me with an opinion. I have the pleasure to remain, Dear Sir,

Your s, faithfully,

L. M.

[We think that the bank had a right to retain the bill in question. In

Selwyn's '*Nisi Prius*,' page 1,373, the law is thus stated:—"Where a banker has advanced money to a customer, he has a lien upon all the securities which come into his hands belonging to that person, for the amount of his general balance; unless there be evidence to show that he received any particular security, under special circumstances, which would take it out of the general rule." Ed. B. M.]

THE ACCEPTOR OF A BILL OF EXCHANGE IS LIABLE, ALTHOUGH THE BILL BE NOT DULY PRESENTED FOR PAYMENT.

SIR,—Is the acceptor of a bill exonerated by the bill not being presented either on the return day or within a month or two afterwards?—or does he remain liable whenever the bill is proved and presented?—and can you refer me to an authority either way? J. B.

[A general acceptance (*i.e.*, an acceptance without naming a particular place, or which, naming a place, does not add the words "*and not elsewhere*") renders the acceptor liable. *Notwithstanding there has been no presentation*, or that presentation has been delayed, the commencement of an action to recover the amount of the bill is sufficient as against such an acceptor. Even where the acceptance is payable at a banker's, and the banker, having funds to pay it, fails after it has become due, and before presentation, the acceptor is still liable. In *Turner v. Haden*, Ryan and Moody's Reports, page 215, it was held that the acceptors of bills of exchange, payable at a banker's in London, were not discharged from their liability, although the holder neglected to present them for payment at a bankers before they failed, which was several weeks after the bills became due, and although the acceptors at all times, up to the failure of the banker's, had a balance in their hands sufficient to cover the acceptances. A special acceptance, *i.e.*, an acceptance made payable at a particular place and "*not elsewhere*," requires presentment at that place; but unless actual loss was sustained by the acceptor by any delay, it is conceived he would be liable. Ed. B. M.]

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF OCTOBER, 1848.

THE principal occurrences of the month have been the insurrection at Vienna, and the severe fall in the market of railway property. As concerns the first, the apprehensions to which it so justly gave occasion are already in a great measure subsided; and, as far as any judgment can be formed upon a subject so beset by perpetual changes, there would seem to be an increased likelihood that the Austrian empire will either fall to pieces, or be reconstructed without an European war. The ferment, however, at Vienna, at Berlin, and at Frankfurt, and the still dubious posture of French politics, ought to prepare us for the occurrence of casualties so frequent and so menacing, as to prevent any prospective opinions of the state of the Stock Exchange. The quotations of each succeeding day are completely at the mercy of each succeeding post.

Excepting the influence of the foreign news, the tendency of the funds has been towards improvement, and the firmer tone has been materially aided by

the decline which has taken place in the rate of interest, and the increasing difficulties experienced in the employment of floating balances. On the day on which we write (27th October, 1848), the rate of interest given by the brokers "on call," has been reduced from $2\frac{1}{2}$ to 2 per cent. per annum; and even at the lower price the discount houses are not able to receive all the deposits tendered to them.

It will be readily understood, therefore, that there is no difficulty in discounting good bills. These may be done at something between $2\frac{1}{2}$ and 3 per cent., according to time. But there is still a considerable degree of discrimination exercised in the selection of approved signatures.

The subject of the railway depreciation is a very serious and very extensive topic. The readers of our magazine will do us the justice to remember, that we have never, during the last three years, disguised our apprehensions of a result similar to that which we now behold and lament. In the review of the month of April, 1846, we particularly called attention to the circumstances, that the *bonâ fide* purchasers of railway shares were not an increasing but a diminishing number of persons; and we well remember that in many places our observations were considered to be somewhat impertinent.

The truth, however, is now plain enough to any man who will look into the facts. The great rise in the value of railway shares in 1844 and 1845 arose mainly from an immense increase in the number of people who bought and sold property of that description, in other words, there was a high price because there was an augmented demand: and, separated from extrinsic circumstances, the main reason of the progressive decline in the last two years has been that the demand has gradually fallen away, and the immense mass of property has been forced, through the temptation of a decline in price more or less extravagant, into the hands of rich men, who conceive they have obtained a bargain—have calculated the exact position of the lines into which they have bought—and can afford to wait the result of intermediate accidents. Every decline in price introduces a greater or a smaller number of such men into the circle of the railway companies, and we shall not get to the bottom of the gulf, until all the weak, timid, and irresolute holders have been almost entirely extruded. During the present year this purifying process has been very greatly aggravated by the *internal* discredit of the companies themselves. Engagements, many of them improvident, and more of them unwise, have led to a confusion (more or less wilful and convenient) in the financial expositions of the directors, and out of these symptoms of unsound prosperity has grown the now universal distrust of all railway finance and all railway accounts. It is clear that the first step towards amendment must be to remove this *special* reason for depreciation, and until this can be accomplished nothing effectual can be done. We attach little weight to the idea that we are too poor to complete the *sound* schemes really on hand. Money at 2 per cent., and no borrowers, is an answer which ought to stop the mouths of all those who uphold such a doctrine.

The following figures will conveniently preserve a record of the depreciation in prices:—

	30th Sep. 1848.		20th Oct. 1848.	
Eastern Counties	13	..	12	..
Great North of England ..	232	..	222	..
Great Western	80	..	73	..
Hull and Selby	98	..	94	..
Lancashire and Yorkshire..	60	..	53	..
Brighton	27	..	25	..
London and North Western	110	..	101	..
London and South Western	40	..	37	..
Midland	86	..	73	..
York and North Midland..	56	..	48	..

STATE OF TRADE.

The accounts from Manchester have not been by any means so cheerful during the last as during the two preceding months. But we must confess that there is something about these Lancashire reports which we cannot precisely understand. The markets are represented as being as bad as they can be—orders scarce, and prices unremunerative. But in the face of these statements there is the official evidence that the quantity of manufacturing labour is at least not diminished. The figures quoted below, from the police return of the state of employment in Manchester, show how far this observation is supported by authority. In the West Riding of Yorkshire there appears to be a tolerably active and profitable trade. We observe that several large continental orders, originally intended for the manufacturers of Germany, have been entrusted to Yorkshire firms, in consequence of the unsettled state of affairs at Berlin and Vienna. On the whole, while it cannot be said that the trade of the country is in a condition of high prosperity, we do not see any reason to describe it in the despondent tones which, for some time past, have been so much in favour. The following is the Manchester return:—

	MILLS.			WORK PEOPLE.		
	30th June, 1848.	22nd Aug. 1848.	3rd Oct. 1848.	30th June, 1848.	22nd Aug. 1848.	15th Sep. 1848.
Working full time ..	135 ..	167 ..	186 ..	29,745 ..	34,891 ..	38,033
Working short time..	43 ..	27 ..	14 ..	6,274 ..	3,345 ..	3,033
Stopped work	25 ..	17 ..	7 ..	8,403 ..	6,497 ..	3,634
	203	211	207	44,422	44,633	44,700

THE CORN TRADE.

The *Gazette* averages for England and Wales have been:—

Weeks ended, 1848.	Qrs. hold.	Weekly average.		Six Weeks' average.		Duty.		Corresponding Six Weeks Last Year.
		s.	d.	s.	d.	s.	d.	s. d.
Sept. 16 ..	114,309 ..	53	8 ..	53	4 ..	4	0 ..	57 10
„ 23 ..	116,289 ..	52	4 ..	53	7 ..	4	0 ..	55 8
„ 30 ..	124,741 ..	52	9 ..	53	10 ..	4	0 ..	54 8
Oct. 7 ..	115,522 ..	52	5 ..	53	11 ..	4	0 ..	53 8
„ 14 ..	106,887 ..	51	11 ..	53	4 ..	4	0 ..	53 3

The preceding figures, further elucidated by a reference to the following outline of the importations of the last six weeks, will indicate pretty accurately the condition of the corn trade since our last. Starting with the second week of September (1848), the following have been the importations of grain and meal from foreign and colonial sources (in quarters).

	Wheat.	Other Grain.	Total.
Three weeks ended 27th Sept., 1848	215,954	281,839	497,793
Two weeks ended 11th Oct., 1848 ...	200,081	201,645	401,726
	416,035	483,484	897,519

In the course, therefore, of five weeks the importation of grain was very nearly one million of quarters. This was an enormous quantity considering all the circumstances. Referring back to the heaviest importations of 1847, the arrivals noticed above appear to have been about one-half the magnitude of those of September of last year. Thus the entries were for

Three weeks ended 15th Sept., 1847.....	589,333	Wheat.
Ditto ditto ditto.....	458,271	Other kinds.

1,847,604 Total.

Taking into account all the incidental charges, the cost of these 897,519 quarters of grain cannot have been less than about £2,000,000, and if it could be supposed that almost the whole of the bills drawn against those cargoes of corn have already been negotiated on the other side, there would be good reason to congratulate ourselves on the firmness exhibited by the foreign exchange during the process. We cannot doubt that a considerable portion of these bills have been already transmitted to this country. What the precise proportion that may be, it is difficult to say. Probably more than one-half; it may be even two-thirds. But if it were only the smaller portion, the circumstance of the operation being carried through with so little disturbance at the present time, is an encouraging symptom of the sound condition of the balances of payments. Abundant supplies have had their usual influence on the market, and the trade has been steady, but with a tendency to cheaper rates. The advices, also, of a large out-turn in America, and low prices in New York, are not calculated to stimulate demand. On the other hand, nothing has taken place to relieve the gravity of our domestic prospects. The grain is admitted on all hands to be generally below an average, and the potatoes appear to be turning out worse than even the most apprehensive observers had prepared themselves to experience. The extent and readiness of the influx of foreign corn will most likely exempt us from the pressure of a very high price, but we see no reason to believe that the existing rates will remain as they are, or that we have done more than commenced our purchases from external fields of supply.

BANK OF ENGLAND.

The Bank's returns have been :—

LIABILITIES.									
Date. 1848.	Circulation.		Public Deposits.		Private Deposits.		Total Deposits.	Rest.	Total Liabilities.
Sept. 16	18.68	..	6.20	..	8.73	..	14.93	..	37.44
" 23	18.29	..	6.80	..	8.70	..	15.50	..	37.62
" 30	18.60	..	7.01	..	8.14	..	15.15	..	37.56
Oct. 7	18.50	..	6.96	..	8.05	..	15.01	..	37.36
" 14	19.40	..	4.30	..	10.67	..	14.97	..	37.75
" 21	19.64	..	3.16	..	10.66	..	13.82	..	36.85
ASSETS.									
Date. 1848.	Public Securities.		Private Securities.		Bullion in Banking De- partment.		Bullion in Issue De- partment.	Total Bullion.	Total Assets.
Sept. 16	12.67	..	10.94	..	10.13	..	3.69	..	37.44
" 23	12.77	..	10.98	..	10.55	..	3.31	..	37.62
" 30	12.86	..	11.02	..	10.12	..	3.56	..	37.56
Oct. 7	12.86	..	11.09	..	9.93	..	3.48	..	37.36
" 14	13.84	..	10.65	..	8.92	..	4.34	..	37.75
" 21	13.40	..	10.29	..	8.60	..	4.56	..	36.86

The *Private Securities* still remain almost stationary; and of course, so long as the Bank retains a *premium* of $3\frac{1}{2}$ per cent., under present circumstances, it is not likely that we shall see them increase. The increase in the *Public Securities*, on the 14th October, indicates, we presume, one of the usual operations in deficiency. Bills for the revenue, and the decline in the bullion towards the end of the table, must be connected rather with the payment of the dividends, than with any external efflux. The condition of the Banking Reserve is satisfactory; and the policy of the Bank, in *not* outbidding the Bill Brokers, ought to receive the most emphatic approval from every body.

THE ENGLISH FUNDS.—Daily Prices from 27th September, 1848, to 27th October, 1848, inclusive.

[illegible]

JOINT STOCK BANKS.

JOINT STOCK BANKS.			Latest Price.
Australasia	-	£40	Opd. £14
British North American	-	50	0
Commercial of London	-	100	30
London and Westminster	-	20	0
Ditto, New	-	20	0
Ditto, New	-	7	0
London Joint Stock	-	50	10
London and Lancashire	-	100	14
Ditto, National of Ireland	-	100	38
Ditto, National of Ireland	-	10	0
National Provincial of England	-	50	23
National Provincial of England	-	50	10
Ditto, New	-	50	0
Ditto, New	-	50	0
Union of Australia	-	50	33
Union of Australia	-	50	0
Colonial	-	100	10
Colonial	-	100	10

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 8 per Cent.		-	-	-	-	Portuguese Bonds, 4 per Cent.	334
Belgian Bonds, 4½ per Cent.	.	. . . . .	-	-	-	Russian Bonds, 1892, 6perCent.in £ Ster.	974
Brazilian Bonds, 5 per Cent.	..	754	-	-	-	Spanish Bonds 5 per C. div. from Nov. 1846	164
Buenos Ayres Bonds, 6 per Cent.	—	—	-	-	-	Ditto, Preferred Bonds	3
Cuba Bonds, 6 per Cent.	—	—	-	-	-	Ditto, Deffered	—
Chilian Bonds, 6 per Cent.	—	—	-	-	-	Ditto, 3 per Cent. Spanish Bonds	35
Colombian Bonds, Deferred, 6 per Cent.	—	832	-	-	-	24 per Cent. Venezucla Bonds	14
Danish 8 per Cent.	—	—	-	-	-	(Dividends on the above payable in London.)	
Greek Bonds 1854-55, 8 per Cent.	—	64	-	-	-	Dutchen 24 per Cent.	443
Holland 6 per Cent., 1854-	—	—	-	-	-	Ditto 4 per Cent. Loan Bonds Oct. sixth, 1857, 70c.	498
Italian Bonds, 6 per Cent., 1854-	—	194	-	-	-	Egyptian 6 per Cent., 1st series, 1854,	45f. 50c.
Norwegian Bonds, 6 per Cent.	—	212	-	-	-	Finnish 6 per Cent., 1st Series	441

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. Sept. 23rd.	1848. Sept. 30th.	1848. Oct. 7th.	1848. Oct. 14th.	1848. Oct. 21st.
Notes issued.....	£ 27,227,425	£ 27,120,705	£ 26,823,635	£ 26,730,165	£ 26,592,550
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,084,000	2,084,000	2,084,000	2,084,000	2,084,000
Gold coin and bullion.....	12,727,525	12,610,705	12,318,735	12,220,255	12,082,541
Silver bullion.....	509,999	509,999	509,999	509,999	509,999
	27,227,425	27,120,705	26,823,635	26,730,165	26,592,550

BANKING DEPARTMENT.

	1848. Sept. 23rd.	1848. Sept. 30th.	1848. Oct. 7th.	1848. Oct. 14th.	1848. Oct. 21st.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,834,727	3,837,472	3,846,485	3,832,646	3,836,565
Public deposits (including Ex- change, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	6,799,383	7,006,836	6,962,466	4,207,385	3,162,909
Other deposits.....	8,601,777	8,146,311	8,053,104	10,674,983	10,060,980
Seven day and other bills.....	982,147	1,020,623	1,020,171	1,064,707	1,086,886
	34,860,934	34,566,242	34,443,226	33,972,721	32,850,240
Government securities (including Dead Weight Annuity).....	12,776,046	12,862,296	12,862,296	12,845,012	12,400,019
Other securities.....	11,530,812	11,574,473	11,630,164	11,302,350	10,847,210
Notes.....	9,926,430	9,571,085	9,348,160	8,405,405	8,032,585
Gold and silver coin.....	627,646	557,788	593,606	520,054	570,426
	34,860,934	34,566,242	34,443,226	33,972,721	32,850,240

The Exchanges.

	Sept. 29th.	Oct. 6th.	Oct. 13th.	Oct. 20th.	Oct. 27th.
Amsterdam, 3 months	12 2	12 1½	12 1½	12 1½	12 2½
Ditto at sight	11 12	11 10½	11 10½	11 10½	12
Rotterdam, short	12 2	12 1½	12 1½	12 2	12 3
Antwerp, 3 months	25 75	25 80	25 80	25 77½	25 90
Hamburg, ditto	13 11	13 11½	13 11½	13 11½	13 12½
Paris, short	25 37½	25 45	25 47½	25 47½	25 50
Paris, 3 months	25 70	25 75	25 70	25 72½	25 77½
Marseilles, ditto	25 75	25 70	25 72½	25 72½	25 77½
Bordeaux, ditto	25 75	25 75	25 72½	25 72½	25 77½
Frankfort, ditto	121½	121½	122	121½	122½
Vienna, ditto	11 6	11 2	11 9	—	36½
Trieste, ditto	11 6	11 6	11 9	—	—
Madrid, ditto	47½	47½	47½	47½	47½
Cadix, ditto	48½	48½	48½	48½	48½
Leghorn, ditto	32 20	32	31 95	31 95	32 5
Genoa, ditto	26	26 10	26 10	26 10	26 15
Naples, ditto	38½	38	39½	39	38½
Palermo, ditto	—	—	—	—	—
Messina, ditto	—	—	—	—	—
Lisbon, 60 days' date	51½	51½	51½	51½	51½
Oporto, ditto	52½	51½	51½	52	51½
Rio Janeiro, ditto	—	—	—	—	—

Bankers' Magazine Appendix, November, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTES.

PRIVATE BANKS.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Sept. 16.	Sept. 23.	Sept. 30.	Oct. 7.
1 Andover Bank	17,751	11,645	11,556	12,310	14,777
2 Ashford Bank.....	11,849	10,148	10,770	10,496	11,473
3 Aylsham Bank	5,854	5,353	5,321	5,428	5,359
4 Aylesbury Old Bank	48,461	33,910	34,550	35,200	36,881
5 Baldock and Biggleswade Bank ..	37,223	25,584	25,669	25,718	25,621
6 Barnstable Bank	17,182	10,338	11,776	11,652	12,225
7 Basingstoke and Odiham Bank....	24,730	16,422	16,072	17,102	17,726
8 Bedford Bank.....	34,218	30,221	30,503	30,529	31,747
9 Bedford and Bedfordshire Bank ..	8,515	5,960	5,950	6,303	6,211
10 Bewdley Bank	18,597	12,242	12,678	12,160	11,922
11 Bicester and Oxfordshire Bank....	27,090	13,481	13,004	12,940	13,500
12 Birmingham Bank—Attwoods & Co.	23,695	24,132	24,328	23,905	23,322
13 Birmingham and Warwickshire Bk.	18,132	12,870	12,035	12,617	12,023
14 Blandford Bank	9,723	6,238	6,179	5,665	6,472
15 Boston Bank—Garfit and Co.	75,069	60,520	63,085	68,315	67,300
16 Boston Bank—Gee and Co.	15,161	12,871	13,949	15,340	15,151
17 Bridgewater Bank	10,028	6,128	7,086	7,429	7,221
18 Bristol Bank	48,277	24,867	24,910	25,570	27,044
19 Broseley and Bridgenorth Bank ..	26,717	17,195	17,973	19,237	19,819
20 Buckingham Bank.....	29,657	20,613	21,475	22,027	22,653
21 Bury and Suffolk Bank	82,362	72,900	74,382	74,817	76,400
22 Banbury Bank	43,457	23,982	25,535	26,110	27,517
23 Banbury Old Bank	55,153	25,475	26,215	27,088	27,841
24 Bath City Bank	4,572	3,004	2,910	2,584	2,925
25 Bedfordshire Leighton Buzzard Bk.	36,829	31,537	31,730	32,085	34,117
26 Birmingham Bank—Taylor & Lloyds	38,816	29,663	29,572	30,746	32,747
27 Bradford Old Bank	12,676	10,636	11,223	10,938	11,002
28 Brecon Old Bank	68,271	51,875	53,624	57,521	58,619
29 Brighton Union Bank	33,794	26,490	26,268	27,045	29,942
30 Burlington and Driffield Bank ..	12,745	11,690	12,475	12,149	11,921
31 Bury St. Edmund's Bank.....	3,801	2,642	2,615	2,737	2,775
32 Bromsgrove Bank	16,799	11,755	12,020	12,100	13,019
33 Cambridge Bank—Mortlock & Son's	25,744	17,253	15,944	16,148	17,022
34 Cambridge and Cambridgeshire Bk.	49,916	48,605	48,373	49,385	48,602
35 Canterbury Bank	33,671	24,475	23,952	24,125	25,862
36 Carmarthen Bank	23,597	14,171	13,942	14,905	15,049
37 Chertsey Bank	3,438	2,280	2,286	2,682	2,955
38 Colchester Bank	25,082	16,344	16,483	16,807	16,957
39 Colchester and Essex Bank	48,704	33,001	33,315	32,170	32,314
40 Cornish Bank	49,869	31,269	32,780	34,912	35,522
41 Coventry Bank	12,045	7,141	7,090	7,457	7,895
42 City Bank, Exeter.....	21,527	15,381	15,825	16,028	16,257
43 Craven Bank	77,154	70,035	71,954	73,995	74,527
44 Christchurch Bank	2,840	1,999	2,112	2,094	2,353
45 Cardiff Bank	7,001	6,139	5,955	6,186	6,143
46 Chepstow Old Bank	9,387	7,361	7,745	8,239	7,835
47 Derby Bank—Messrs. Evans	13,332	12,073	13,773	13,441	13,457
48 Derby Bank—Smith and Co.	41,304	30,325	32,061	35,716	40,046
49 Derby Old Bank	27,237	22,997	23,470	24,098	24,753
50 Devises and Wiltshire Bank	20,674	11,657	11,600	12,090	12,645
51 Diss Bank	10,657	10,400	10,097	9,077	10,178
52 Doncaster Bank and Retford Bank	77,400	58,854	59,151	60,560	61,443
53 Darlington Bank	86,218	65,514	68,155	70,421	71,677

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 16.	Sept. 22.	Sept. 30.	Oct. 7.
	£	£	£	£	£
4 Devonport Bank	10,664	13,398	10,447	11,029	10,744
5 Dorchester Old Bank	48,807	39,106	39,672	40,670	41,181
6 East Cornwall Bank	112,280	83,430	86,565	84,450	84,665
7 East Riding Bank	53,392	42,513	43,717	47,454	49,131
8 Essex Bk. & Bishops Stortford Bk.	69,637	42,098	43,143	43,910	46,207
9 Exeter Bank	37,894	22,875	22,970	24,798	27,264
0 Fakenham Bank	24,293	19,565	19,859	20,125	20,872
1 Faringdon Bank & Bk. of Wantage	8,977	4,515	4,665	4,700	4,943
2 Farnham Bank	14,202	9,820	10,470	11,875	12,450
3 Faversham Bank	6,681	4,666	4,696	4,907	5,046
4 Godalming Bank	6,322	5,153	5,356	5,238	5,559
5 Grantham Bank—Kewney & King	19,401				
6 Guildford Bank	14,524	10,014	10,138	10,027	9,744
7 Grantham Bank—Hardy & Co. . .	30,372	22,309	25,277	26,441	27,644
8 Hastings Old Bank	38,038	19,825	19,360	19,512	20,830
9 Hereford City and County Bank. .	22,364	13,783	14,278	13,685	12,930
0 Hertford and Ware Bank	23,635	12,782	13,354	13,813	13,830
1 Hull & Kingston-upon-Hull Bank	19,979	17,914	16,641	17,246	19,449
2 Huntingdon Town & County Bank	56,891	45,330	46,979	46,238	47,372
3 Harwich Bank	5,778	4,802	4,660	5,329	5,781
4 Hemel Hempstead Bank	23,842	19,141	18,825	17,903	18,340
5 Hertfordshire, Hitchen Bank . . .	38,764	30,113	30,493	30,853	31,893
6 Hereford, Ross, & Archenfield Bk.	27,625	19,349	19,242	18,849	19,082
7 Ipswich Bank	21,901	20,623	20,175	20,458	21,702
8 Ipswich & Needham Market Bank	80,699	71,912	71,704	72,972	76,622
9 Kentish Bank	19,895	10,084	9,547	9,959	10,390
0 Kington and Radnorshire Bank . .	26,050	19,304	23,900	25,309	25,141
1 Knighton Bank	9,090	5,809	6,150	6,899	10,354
2 Knaresborough Old Bank	21,825	17,628	17,949	18,260	18,175
3 Kendal Bank	44,663	34,976	34,408	34,683	35,251
4 Kettering Bank	9,192	9,841	7,046	7,379	7,619
5 Lane End Staffordshire Bank . . .	5,524	5,133	5,183	5,133	5,163
6 Leeds Bank	53,357	41,666	40,468	40,126	41,158
7 Leeds Union Bank	37,439	37,161	36,567	35,970	37,877
8 Leicester Bank	32,322	21,490	21,911	22,334	23,388
9 Lewes Old Bank	44,836	29,069	29,495	30,238	31,610
0 Lichfield Bank	22,786	17,780	17,943	19,425	20,302
1 Lincoln Bank	100,342	75,900	79,187	80,959	82,145
2 Llandoverly Bank & Llandilo Bank	32,945	28,586	28,662	28,609	27,319
3 Loughborough Bank	7,839	5,888	6,256	6,735	7,745
4 Lynton Bank	8,038	3,185	3,035	3,165	3,555
5 Lynn Regis and Lincolnshire Bank	42,817	39,007	39,416	40,377	41,584
6 Lynn Regis and Norfolk Bank . .	13,917	14,150	13,690	13,608	13,578
7 Macclesfield Bank	15,760	10,022	10,753	11,231	11,443
8 Manningtree Bank	7,692	5,340	5,617	6,029	6,594
9 Marlborough Bank	19,073	12,270	11,968	11,834	11,855
0 Marlboro & North Wilts. New Bk.	12,490	7,423	7,014	7,053	7,517
1 Merionethshire Bank	10,906	5,793	8,378	8,839	7,845
2 Miners' Bank	18,688	12,812	12,739	12,759	13,251
3 Monmouthsh. Agricul. & Com. Bk.	29,335	21,625	22,031	23,510	24,045
4 Monmouth Old Bank	16,388	14,444	14,341	14,765	14,170
5 Monmouthshire Newport Old Bank	8,600	8,735	7,962	7,916	7,851
6 Newark Bank	28,788	17,551	18,627	19,770	20,770
7 Newark and Sleaford Bank	51,615	46,723	46,870	50,357	53,117
8 Newbury Bank	36,787	21,084	21,466	21,742	21,610
9 Newmarket Bank	28,098	18,180	19,780	19,990	20,216
0 Norfolk and Suffolk Bank	4,551	2,659	2,941	2,979	2,934
1 Norwich Crown Bank	45,120	41,215	42,152	43,696	46,481

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 16.	Sept. 23.	Sept. 30.	Oct. 7.
	£	£	£	£	£
112 Norwich and Norfolk Bank.....	75,372	63,430	64,035	66,433	70,372
113 Nottingham & Nottinghamsh. Bk.	10,866	8,314	8,104	8,211	9,374
114 Nuneaton Bank	5,898	3,789	3,572	3,731	3,678
115 Naval Bank, Plymouth	27,321	20,470	21,035	20,434	21,549
116 New Sarum Bank	15,659	10,766	10,432	10,424	11,727
117 Nottingham Bank	31,047	25,522	24,690	26,045	26,115
118 Oswestry Bank.....	18,471	11,030	11,042	11,470	12,244
119 Oxford Bank	14,277	8,136	8,932	9,321	9,272
120 Oxford Old Bank	34,391	22,806	22,988	22,659	23,611
121 Old Bank Tonbridge	13,183	6,834	6,907	6,944	7,856
122 Oxfordshire Witney Bank	11,852	7,227	7,348	7,690	8,062
123 Pease's Old Bank, Hull	48,807	41,632	44,217	44,414	44,413
124 Penzance Bank.....	11,405	9,042	9,862	10,491	11,222
125 Peterborough Bank—Yorke & Co.	12,545	8,430	9,266	9,754	17,546
126 Peterborough Bk.—Simpson & Co.	12,832	11,203	11,295	12,204	13,428
127 Pembrokeshire Bank	12,910	8,390	8,979	10,082	9,887
128 Reading Bank—Simmonds & Co.	37,519	26,369	26,775	26,772	26,973
129 Reading Bank—Stephens & Blandy	43,271	25,635	25,307	25,295	26,137
130 Richmond Bank, York	6,889	4,570	4,463	4,714	4,901
131 Ringwood and Poole Bank	11,856	7,439	7,598	7,602	7,492
132 Rochdale Bank.....	5,590	5,318	5,028	4,581	5,242
133 Rochester, Chatham, & Strood Bk.	10,480	8,685	9,039	9,256	9,777
134 Royston Bank	16,393	13,527	13,444	13,750	13,382
135 Rugby Bank.....	17,250	10,907	10,525	10,664	10,247
136 Rye Bank.....	29,864	12,760	12,200	12,077	12,947
137 Reigate and Dorking Bank	13,700	10,548	10,350	10,560	10,550
138 Ross Old Bank, Herefordshire ..	7,420	4,608	4,385	3,830	4,172
139 Saffron Walden & North Essex Bk.	47,646	25,796	25,959	26,672	27,227
140 Salop Bank	22,338	12,568	12,490	11,759	11,724
141 Scarborough Old Bank	24,813	21,168	20,835	21,636	21,822
142 Shrewsbury Old Bank.....	43,191	28,526	27,882	27,766	28,525
143 Sittingbourne and Milton Bank ..	4,789	2,183	2,310	2,528	2,449
144 Southampton Town & County Bk.	18,589	12,272	11,643	11,296	12,977
145 Southwell Bank	14,744	11,840	11,424	12,421	12,542
146 St. Albans Bank	3,743	918	813	903	812
147 Southampton and Hampshire Bank	6,770	3,224	3,210	3,204	3,270
148 Stone Bank	9,154	3,929	3,531	3,726	3,823
149 Stourbridge Bank.....	17,295	13,536	13,119	14,411	14,444
150 Stafford Old Bank	14,166	14,532	13,271	13,723	14,631
151 Stamford and Rutland Bank	31,858	26,930	28,509	29,913	33,247
152 Stourbridge Old Bank.....	17,560	17,206	17,612	17,200	17,759
153 Shrewsbury and Welsh Pool Bank	25,336	21,856	20,376	19,614	19,612
154 Taunton Bank	29,799	20,269	20,469	21,480	21,922
155 Tavistock Bank	13,421	8,943	9,565	9,465	9,722
156 Thornbury Bank	10,026	5,995	6,191	5,654	6,107
157 Tiverton and Devonshire Bank ..	13,470	6,540	6,613	7,024	7,692
158 Thrapstone and Kettering Bank ..	11,559	11,360	11,216	11,005	11,514
159 Tring Bank and Chesham Bank ..	13,531	11,338	11,082	11,758	11,772
160 Towcester Old Bank	10,801	7,611	7,441	7,767	8,554
161 Union Bank, Cornwall	17,003	7,155	6,775	6,710	7,212
162 Uxbridge Old Bank	25,136	17,241	17,408	17,346	18,015
163 Wallingford Bank	17,064	5,945	6,270	6,433	6,490
164 Warwick and Warwickshire Bank	30,504	20,380	20,640	20,364	21,218
165 Wellington Bank, Somerset	6,528	2,728	2,618	2,686	2,755
166 West Riding Bank	46,158	41,219	41,528	43,374	43,982
167 Whitby Old Bank	14,258	11,166	11,060	11,403	11,395
168 Winchester, Alresford & Alton Bk.	25,892	19,850	18,921	19,206	20,520
169 Winchester and Hampshire Bank ..	6,737	3,906	3,895	4,138	4,202

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 16.	Sept. 23.	Sept. 30.	Oct. 7.
	£	£	£	£	£
170 Weymouth Old Bank	16,461	11,097	10,696	13,212	13,630
171 Wirksworth and Derbyshire Bank	37,602	28,514	28,191	27,611	29,376
172 Wisbech and Lincolnshire Bank..	59,713	56,261	57,679	58,840	59,977
173 Wiveliscombe Bank.....	7,602	6,028	5,925	8,620	8,379
174 Wolverhampton Bank—Goodricke & Co.	14,180	12,245	12,340	13,206	13,727
175 Worcester Bank	15,463	8,525	8,932	9,572	9,766
176 Worcester Old Bank	87,448	67,089	69,537	70,530	72,081
177 Worcestershire Bank	14,309	11,269	11,763	11,662	12,294
178 Walsall Old Bank	19,937	5,157	4,936	4,750	4,510
179 Warminster and Wiltshire Bank..	24,896	11,915	12,905	13,292	14,258
180 Wrexham Bank	3,289	145	140	140	140
181 Wolverhampton Bank—R. & W. Fryer	11,867	10,273	10,036	9,913	10,552
182 Yarmouth and Suffolk Bank	53,060	44,735	44,295	45,194	46,644
183 Yarmouth, Norfolk, & Suffolk Bk.	13,229	11,925	11,552	12,379	13,021
184 Yeovil Old Bank	10,033	6,215	6,107	6,699	6,442
185 York Bank	46,387	38,767	38,915	41,088	42,141

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	7,481	7,471	7,244	7,056
2 Barnsley Banking Company.....	9,563	7,586	7,707	8,334	8,460
3 Bradford Banking Company.....	49,292	44,776	43,393	41,012	44,269
4 Bilston District Banking Company	9,418	9,681	9,159	9,537	9,135
5 Bank of Whitehaven.....	32,681	24,362	24,495	24,408	24,224
6 Bradford Commercial Banking Co.	20,084	16,422	15,551	15,924	15,849
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	41,256	43,739	47,575	47,685
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	7,048	6,862	7,877	7,904
9 Cumberland Union Banking Co. .	35,395	25,517	25,798	26,419	27,445
10 Cheltenham & Glo'stershire Bk. Co.	12,786	9,062	9,087	9,066	9,016
11 Coventry & Warwickshire Bk. Co.	28,734	20,740	19,914	20,536	22,434
12 Coventry Union Banking Company	16,251	13,373	11,125	11,626	11,755
13 County of Gloucester Banking Co.	144,352	90,329	90,108	93,180	94,674
14 Carlisle & Cumberland Banking Co.	25,610	20,296	21,278	22,743	23,180
15 Carlisle City and District Bank....	19,972	16,558	18,858	18,707	19,021
16 Dudley & West Bromwich Bkg. Co.	37,696	37,773	38,578	39,234	34,811
17 Derby and Derbyshire Banking Co.	20,093	16,168	15,966	17,490	19,412
18 Darlington Dist. Joint Stock Bk. Co.	26,134	17,652	18,161	18,126	19,226
19 East of England Bank	25,025	27,290	25,905	21,669	20,802
20 Gloucestershire Banking Company	155,920	127,981	131,340	136,922	142,071
21 Halifax Joint Stock Bank.....	18,534	12,388	12,396	12,635	13,664
22 Huddersfield Banking Company ..	37,354	35,037	35,112	32,366	32,964
23 Hull Banking Company	29,333	22,693	23,695	24,526	25,700
24 Halifax Commercial Banking Co..	13,733	8,412	8,243	8,182	9,312
25 Halifax & Huddersfield Union Bank	44,137	30,577	32,389	30,976	31,209
26 Helston Banking Company	1,503	1,401	1,465	1,471	1,434
27 Herefordshire Banking Company..	25,047	17,030	16,770	18,873	19,185
28 Knaresborough and Claro Bkg. Co.	28,059	19,154	21,385	21,990	22,364
29 Kingsbridge Joint Stock Bank	3,952	2,745	2,976	3,039	3,108
30 Lancaster Banking Company	64,311	43,857	45,475	46,326	48,018
31 Leeds Banking Company	23,076	24,991	22,603	21,203	23,452
32 Leicestershire Banking Company ..	86,060	63,539	65,435	66,732	69,222
33 Lincoln and Lindsay Banking Co.	51,620	49,880	53,541	50,805	50,808
34 Leamington Priors & Warwicksh. Bk.	13,875	9,408	9,454	9,270	9,977
35 Ludlow and Tenbury Bank	10,215	8,811	8,863	10,889	11,425

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Sept. 16.	Sept. 22.	Sept. 30.	Oct. 7.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	20,842	20,678	21,714	21,623
37 Nottingham and Notts. Banking Co.	29,477	23,163	23,230	25,673	27,669
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	3,025	2,968	2,875	2,815
39 National Provincial Bk. of England	442,371	357,155	371,194	385,065	394,875
40 North Wilts Banking Company ..	68,939	46,926	46,507	49,210	50,312
41 Northamptonshire Union Bank ..	84,856	65,838	71,581	72,147	75,610
42 Northamptonshire Banking Co. ..	26,401	19,599	20,623	20,769	22,168
43 North and South Wales Bank	68,951	22,709	25,158	25,940	25,915
44 Pare's Leicestershire Banking Co..	59,800	36,291	37,784	39,485	41,652
45 Saddleworth Banking Company ..	8,122	1,761	1,644	1,961	1,907
46 Sheffield Banking Company	35,848	35,298	34,409	36,335	34,475
47 Stamford, Spalding & Boston Bk. Co.	55,721	54,721	59,267	53,599	41,903
48 Stuckey's Banking Company	356,976	248,390	251,900	259,795	273,542
49 Shropshire Banking Company	47,951	36,264	36,915	37,704	38,556
50 Stourbridge and Kidderminster Bk.	56,830	51,120	52,415	54,925	56,472
51 Sheffield and Hallamshire Bank ..	23,624	19,829	20,483	21,042	23,981
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,699	52,950	53,132	50,607
53 Swaledale and Wensleydale Bank..	54,372	36,290	39,119	40,969	42,149
54 Storey's and Thomas's Bank	9,714	9,556	10,180	9,550	9,555
55 Sheffield and Retford Bank	18,744	785	785	785	785
56 Wolverhampton & Staffordsh. Bank	35,378	33,753	33,718	34,817	36,071
57 Wakefield and Barnsley Union Bank	14,604	11,666	11,626	12,654	13,424
58 Whitehaven Joint Stock Bank	31,916	21,337	21,700	23,951	23,944
59 Warwick and Leamington Bkg. Co.	37,124	29,166	28,175	29,292	32,085
60 West of England and South Wales District Bank	83,535	65,431	65,835	65,169	72,127
61 Wilts and Dorset Banking Company	76,162	64,286	64,127	65,562	67,355
62 West Riding Union Banking Co. ..	34,029	24,878	24,964	24,969	24,764
63 Whitchurch and Ellesmere Bkg. Co.	7,475	3,286	2,890	3,142	3,277
64 Worcester City & County Bkg. Co.	6,848	5,925	6,470	6,784	7,262
65 York Union Banking Company ..	71,240	62,822	64,544	68,127	69,305
66 York City and County Banking Co.	94,695	76,169	81,108	89,455	89,717
67 Yorkshire Banking Company	122,532	100,390	102,265	103,760	109,181

Summary of the above Returns.

	Fixed Issues.	Sept. 16.	Sept. 22.	Sept. 30.	Oct. 7.
	£	£	£	£	£
187 Private Banks	4,880,389	3,564,139	3,620,082	3,709,220	3,932,936
67 Joint Stock Banks ..	3,409,987	2,572,644	2,651,473	2,697,269	2,765,610
254 Totals	8,290,376	6,136,783	6,251,555	6,406,489	6,598,546

Average Weekly Circulation of these Banks for the month ending October 7th:—

Private Banks	£3,681,594
Joint Stock Banks	2,666,749

Average Weekly Circulation of Private and Joint Stock Banks ending as above £6,348,343

On a comparison of the above with the Returns for the Month ending 9th September last, it shows—

An increase in the Notes of Private Banks, of	£190,275
An increase in the Notes of Joint Stock Banks, of	194,784

Total increase on the Month £385,059

CIRCULATION RETURNS.

And, as compared with the Month ending the 9th October, 1847, it shows—

A decrease in the Notes of Private Banks, of £659,936

A decrease in the Notes of Joint Stock Banks, of 440,545

Total decrease, as compared with the same period of last year £1,100,481

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue £1,198,795

The Joint Stock Banks are below their fixed issue 743,238

Total BELOW the fixed issue..... £1,942,033

Irish and Scotch Circulation Returns.

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 7th day of October, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	98,861	206,797	305,658	161,320
Royal Bank of Scotland ..	188,000	53,725	116,751	170,475	78,088
British Linen Company....	438,024	126,293	270,596	396,890	111,371
Commercial Bk. of Scotland	374,880	135,253	284,611	419,864	103,492
National Bank of Scotland	297,024	93,691	202,075	295,766	64,333
Union Bank of Scotland ..	327,223	95,169	201,638	296,807	88,894
Edinburgh & Glasgow Bk.	136,657	48,405	74,220	122,625	30,341
Banking Com. in Aberdeen	88,467	30,347	75,871	106,218	38,054
Aberdeen Town and Co. Bk.	70,133	27,269	59,834	87,103	21,225
North of Scotland Bk. Co.	154,319	52,480	91,762	144,242	13,766
Dundee Banking Company	33,451	8,583	21,247	29,831	4,603
Eastern Bank of Scotland..	33,636	10,681	22,343	33,024	6,819
Western Bank of Scotland	337,938	104,276	272,410	376,686	94,737
Clydesdale Banking Co. ..	104,028	21,348	76,918	98,267	22,321
City of Glasgow Bank	72,921	45,090	63,351	108,105	42,860
Caledonian Banking Co. ..	53,434	20,201	39,022	59,223	16,914
Perth Banking Company ..	38,656	11,956	30,846	42,803	12,209
Central Bank of Scotland..	42,933	11,343	31,285	42,629	11,834
TOTALS (Scotch Banks) ..	3,087,209	994,971	2,141,541	3,136,516	923,181

IRISH BANKS.

Bank of Ireland	3,738,428	1,732,350	947,200	2,679,550	752,364
Provincial Bank	927,667	269,149	397,293	666,442	308,293
Belfast Bank	281,611	34,381	178,011	212,392	98,126
Northern Bank	243,440	23,426	139,562	162,988	79,267
Ulster Bank	311,079	20,153	171,059	191,213	50,100
National Bank	761,757	199,327	349,334	548,660	191,358
Carriek-on-Suir Nat. Bank	24,084	3,346	6,062	9,408	2,833
Clonmel National Bank ..	66,428	15,453	20,314	35,768	9,811
TOTALS (Irish Banks)	6,354,494	2,297,585	2,208,835	4,506,421	1,492,152

CIRCULATION RETURNS.

SUMMARY OF IRISH AND SCOTCH RETURNS TO OCTOBER 7th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 7th October last, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £4,566,421
Average Circulation of the Scotch Banks 3,136,516

Total Average Circulation of these Banks for the past month £7,643,937

On comparing these amounts with the Returns for the month ending 9th September last, they show—

Increase in the Circulation of Irish Banks £241,141
Increase in the Circulation of Scotch Banks 115,369

Total increase last month £356,510

And as compared with the month ending 9th October, 1847, they show—

Decrease in the Circulation of Irish Banks £849,192
Decrease in the Circulation of Scotch Banks 423,466

Total decrease on the year £1,273,652

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1848, as follows.—

8 Banks in Ireland, allowed to issue .. £2,354,400
18 Banks in Scotland, allowed to issue 3,067,200

26 Banks in all, allowed to issue £5,421,600

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £1,368,171
Scotch Banks are above their fixed issue 435,689

Total below the fixed issue £1,703,860

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, has been as follows :—

Gold and Silver held by the Irish Banks £1,000,000
Gold and Silver held by the Scotch Banks 950,000

Total of Gold and Silver Coin £1,950,000

Being a decrease of £51,478 on the part of the Irish Banks, and a decrease of £46,500 on the part of the Scotch Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO OCTOBER 7th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 7th October, 1848.

Circulation of Notes for the Month ending October 7th, as compared with the previous month :

	Sept. 9, 1848.	Oct. 7, 1848.	Increase.	Decrease.
Bank of England.....	£18,093,098	£17,563,718	—	529,380
Private Banks	3,485,319	3,681,504	196,185	—
Joint Stock Banks	2,471,065	2,666,749	194,784	—
Total in England.....	24,051,182	23,912,061	—	139,121
Scotland.....	3,021,307	3,136,516	115,209	—
Ireland	4,265,290	4,566,421	301,131	—
United Kingdom.....	31,337,769	31,496,998	159,229	—

The comparison of the month ending October 9, 1847, with the month ending October 7, 1848, shows a decrease in the Bank of England circulation of £835,114 : decrease in Private Banks of £659,936, and a decrease in Joint Stock Banks of £440,545 ; being a total decrease in England of £1,935,595 : while in Scotland there is a decrease of £423,460 ; and in Ireland a decrease of £849,192. Thus showing that the month ending October 7th, as compared with the same period last year, presents a decrease of £1,935,595 in England, and a decrease of £3,208,247 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending October 7th, gives an aggregate amount in both departments of £13,695,874. On a comparison of this with the Return for the month ending September 9th, there appears to be a decrease of £183,036 ; and as compared with the month ending October 9th, 1847, being the corresponding period last year, there is an increase of £5,036,562.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 7th October, was £2,415,333, being a decrease of £97,679, as compared with the preceding month, and a decrease of £211,207, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE ;

AND

Journal of the Money Market.

DECEMBER, 1848.

REVIEW OF THE RECENT PARLIAMENTARY INQUIRY ON THE COMMERCIAL DISTRESS OF 1847.

[SECOND ARTICLE.]

WE cannot more conveniently resume the argument of our last paper, than by a short recital of the facts, which, if they have not been discovered, have been, at all events, officially established by the committees of the Lords and Commons.

There is no question as to the original causes of the commercial distress of 1847. These are too palpable to admit of any difference of opinion ; and however wide may be the divergence between the final conclusions of those who investigate the subject, there is but one starting point, and, for a certain distance, but one path pursued by every one of those who set out either in defence of a party or in the search of truth. It is quite clear that the defective season of 1846 was the original and principal cause of the unfavourable foreign exchange in 1847 ; and it is also clear that it was the influence of that unfavourable exchange upon the hoards of the bank, as they are at present regulated, which produced the pressure of March and April of the latter year (1847). It is further fully established by evidence, that the still more violent paroxysm of October, 1847, did not arise from any dangerous condition of the foreign exchange—that it was almost wholly excited, and that it derived its course and complexion from apprehensions,—well or ill-founded,—of evils to ensue from the exhausted condition of the reserve of the banking department.

And here ends the unanimity. The present governor of the bank, supported by Mr. Norman, Mr. Loyd, and Mr. Cotton, in effect, conclude their explanation and their defence with the sketch of this historical outline. Reduced to its simplest form, this is the result of their very elaborate evidence :—

The first pressure, they say, of 1847, was the result of the adverse balance of payments, from which, of course, a degree of inconvenience was inseparable. The second pressure of the autumn, according to these authorities, was purely the creature of panic. The Act of 1844, they continue, does not profess to procure an endless reign of propitious exchanges, nor does it undertake to prevent an access of national lunacy; and, therefore, the Act of 1844 is not to be censured nor called in question.

In the opinion of the Lords' Committee, this appears to have been a line of argument more compendious than conclusive; and there are frequent passages very full of interest, in which the peers set up a resolute resistance against being put off by a reference to a preamble and the repetition of a fact. The committee remind the witnesses, with becoming authority, that the object of the tribunal is not to ascertain again what has been already rendered sufficiently plain,—namely, the state of the law; but to trace out by evidence and reasoning, whether or not the foundations and the policy of that law are so imperfect, that it ought to be repealed.

But these investigations by the legislature would have done little if they had only added confirmation to an existing notoriety. The evidence they have collected entirely substantiates the fundamental facts of the phenomena; but it substantiates, also, with a precision and fulness quite as irresistible, certain other facts, which have a very intimate bearing upon the tenor of the decision.

In the first place, it must be considered as established, by the testimony of numerous witnesses, as to whose perfect familiarity with the occurrences of which they speak, and as to the trustworthiness of whose description there can be no demur, that in the month of April, 1847, the pressure on the money market derived all its more acute and pernicious symptoms entirely from the course pursued by the Bank of England. The inconvenience did not become intolerable, until a sudden change took place in the policy of the directors, and until an apprehension, founded upon the weekly returns, was spread abroad, that, from the reduced condition of the banking reserve, there would be an absolute suspension of every facility of loan or discount. Whether or not, therefore, it was the design of the new charter to introduce what Mr. Loyd describes "as a self-acting machine," which should supersede the calamitous results of imprudence, it is quite true, as a matter of fact, that, in the spring of 1847, there occurred an instance of the unimpaired influence of the Bank of England upon the money market, quite as signal as any which have taken place within the century; and whether or not the new charter intended that the mere *banking reserve* should become as vital an element as the *whole reserve of bullion* which it superseded, it can

admit of no question that, at the point of time we are considering, the condition of this banking reserve did produce consequences which cannot be described otherwise than as violent, pernicious, and alarming. And it must be borne in mind that this intervention of the dictatorial power of the Bank, and this terror excited by the exhaustion of the reserve, were *antidated* by the provisions of the law, by at least a considerable interval in advance of the period when they could possibly have come into play under the former system of management. At the gloomiest period of April, 1847, the total reserve of treasure was more than nine millions. The question, therefore, if the aggravation or non-aggravation of the crisis by the provisions of the present law is a very short one; for it is obvious that the law did most materially exacerbate the pressure if it inflicted as much suffering at the point of nine millions of treasure as would have occurred at the point of one or two millions, and did not compensate for this artificially-excited evil by a positive deliverance from evils still greater, which must have happened when the nine millions should have been nearly expended.

The version of the partisans of the Act is, of course, that the artificial pressure of April did avert such greater evils. They say, that if there had been no legislative impediment, the residue of the nine millions would have been carried away through the same channels that had already absorbed the five or six millions. And that, when the last sovereign in the bank coffers had stared us in the face, we should have had to encounter a necessity as imperious and more fatal than that which we surmounted during the early days of May. We are not sure that the most direct answer to this plea is not to be found in purely *a priori* considerations; but we will not treat it according to such a regimen. It is more to the present purpose to be able to say, that the Committee's Reports have not left us entirely to conjecture as to what would have been the posture of the balance of payments during the summer of 1847. We must remember that the only thing which can preserve the existing law from condemnation is the existence of most overwhelming evidence that the artificial pressure of April cut short a drain of bullion, which, if unchecked by violent contraction, would have carried off not merely the residue of nine millions more, but even at the end of these nine millions, would have been unconquered.

Now the fact is, that no evidence authorizing such a conclusion is to be had. The testimony collected by the Committees is emphatically the other way. The drain of bullion was not prolonged after the events of April; and, what is much more important, it was not stopped by the events of April,—unless in point of time you have the consequence three weeks before the

cause. Upon a question of this sort, referring as it does almost exclusively to a circumstance connected with the American trade, there cannot be a more unexceptionable witness than Mr. Horsley Palmer, and what does Mr. Palmer say? We quote the Lords' Report.

" 691. When do you consider the American drain to have stopped?

" *Answer.* I think that the *last* export to America took place by the packet of the 4th April.

" 692. Did the drain to the Continent of Europe stop simultaneously with that to America?

" *Answer.* There was no material demand for the Continent of Europe after the middle of April."

These statements by Mr. Palmer receive specific confirmation from the actual quotations of the exchange at New York upon London, delivered in evidence before the Commons' Committee, by Mr. Bates, of the firm of Baring Brothers. Mr. Bates is asked—

" 2562. Can you give the Committee any statement of the rates of exchange on London ruling on New York, from January to October, 1847?

" *Answer.* Here is a list of them, viz.—

5th January, 1847	..	105½ to 105¾.
8th February	.. ..	105¾ „ 106.
2nd March	.. ..	105 „ 105½.
7th April	.. ..	104¾ „ 105.
29th „	.. ..	106¾.
14th May	.. ..	106¾ „ 107¼.

" 2563. At what rate of exchange in New York is there a profit upon the shipment of gold from this country?

" *Answer.* The exchange at 106¾ is *at par*, taking ordinary charges."

The exchange therefore in April, at 106¾, was fatal to a bullion operation.

Now it would have been something to the purpose of the currency party, if the export of the metals had been resumed after the culminating point of the crisis; and when, as occurred during June (1847), there was even a superabundance of funds seeking employment. But there was no resumption of the external demand; and beyond this, even in the face of those prodigious arrivals of food which crowded every port of consequence in the kingdom, with the ships of almost every nation under heaven, there was not only *no* renewal of the efflux, but there was a restoration on the exchange, to a point which attracted rather than repelled the precious metals from these islands. The evidence therefore of aggravation—of extreme and perfectly gratuitous aggravation in April, appears to be complete. All the evidence so far produced, conveys the impression, that by the operation of natural causes, the balance of payments was reduced within the scope of ordinary commercial adjustment by the early part of April, and that, but for the interference of the

law, there would have been at that time no jeopardy of the bank, no confusion among the merchants, and no violent and distressing interference with the industry of the great centres of manufacture.

How it comes to pass that drains of bullion are not infinite, and that, in reality, the period is but a short one which suffices to bridge over the chasm that separates an expanded volume of imports from an equally expanded volume of exports,—we may possibly at some future time explain. But that a correction of this kind does actually occur, and that it occurred last year, will be placed beyond cavil, by the following figures from the ‘Trade Returns’ of last month (Nov. 1848). Thus the *exports* were to the

	1846.		1847.
	£.		£.
United States	6,830,000	.....	10,974,000
Levant.....	2,705,000	.....	3,570,000
	<hr/> 9,535,000		<hr/> 14,544,000

Or an increase in 1847 over 1846, of nearly fifty per cent. on our exports to those countries from which we mainly imported food, and to which we mainly sent gold.

With reference to the greater catastrophes which so fatally distinguished the autumn of 1847, the evidence is not less specific than in the cases already considered. We must not lose sight of the main purpose of the inquiry, which perpetually enjoins us to ascertain whether these severe calamities were in reality the offspring of some inexorable necessity, and whether this natural and inevitable pressure was or was not increased by the specific operation of the law.

It is the allegation of the party who espouse the defence of the Act, that there *was* such an overwhelming climax of evil, and that there was *not* any such adventitious aggravation. We now speak with reference to October. The facts, as established before the Committee, do not seem to justify either clause of such an exculpation.

There was no foreign drain upon the Bank after April; and even the Governor (Mr. Morris) admits expressly that there was an influx of the metals during the whole of the period of pressure. Between the phenomena of April and October there was therefore a radical difference. In the former case there was an adverse exchange which every person would desire to see corrected; in the latter case there was never for one moment a state of things which compelled the directors to consider any *external* question whatever.

The failure of the corn dealers in August very naturally excited a feeling of apprehension and distrust, and somewhat tightened

the terms of the money market. And this enhancement of the rate of interest threw an additional demand upon the resources of the banking department. That these resources were the exact reverse of affluent, was kept with painful pertinacity before the eyes of the whole country by the figures of every Friday's *Gazette*. The extension of the discredit in the corn trade, and its collateral consequences, as in the instance of Saunderson and Co., still further restricted the facilities of the open market, and of course still further reduced the narrow margin which still remained at the command at the Bank directors. By the first week in October there was felt to be a virtual termination to the prospect of any efficient assistance from the Bank of England; and then, probably for the first—and let us hope, for the last time—began a series of commercial misfortunes which, in the very teeth of a gradually reviving prosperity, overwhelmed the commerce of the country with the violence of a wild and ruthless panic.

It is important to distinguish with the nicest care this turning point of the narrative. All the witnesses concur in ascribing to the exhaustion of the bank's means of accommodation the commencement of the spasmodic stage of the disease; and from that moment to the famous Monday morning when the government letter made its appearance, the only general observation which applies with equal truth to the various manifestations of the distress is, simply, that they resolved themselves into an inability not to command capital, but to convert, within a few hours, capital into currency.

A good deal has been said respecting the insolvent condition of the East Indian houses. The insolvency cannot be disputed, but the connexion of that insolvency with the origin of the panic is not so apparent. To argue that the insolvent houses excited the pressure, is much the same thing as to say that it is not the rotten trees which are laid prostrate by the hurricane, but it is the hurricane which is produced by the fall of the rotten trees.

The facts, therefore, resolve themselves into a proposition which must be considered as fully established by authentic testimony, and this proposition may be expressed thus:—That the pressure of October, 1847, derived all its more violent symptoms from the inability of the Bank of England to afford a temporary extension of its advances to the public, at a time when there was an influx of gold into the country, and when the total treasure of the bank was more than nine millions sterling. The question then becomes, what greater evil was avoided by this impounding of the resources of the bank?—what was the immense peril which lay in the accordance of these two or three millions of discounts for as many weeks?—what was the prodigious advantage which the country preserved by its submission to this decimation of its

merchants, this intolerable invasion of its quiet, and this violent and distressing disturbance of all the channels of its industry?

We do no violence to candour when we say that we have perused the evidence of the partisans of the present law from its first to its final paragraph with every disposition to receive an answer to these questions, and that we have found none. We will go further. We deliberately assert that, beyond a few insignificant statements which are not always given either as positive opinions or positive facts, there does not appear to have been any attempt to answer these questions.

Mr. Morris contents himself with saying, that it would have been against "principle" to have granted these morsels of accommodation. In the name of common sense, against what "principle?" The country is drifting to confusion, and it is against "principle" to raise a finger for its rescue. Apprehension has deepened into distrust, distrust has chafed itself into panic, and panic has become contagious: neither wealth, nor credit, nor station, can any longer exempt a merchant from the misfortune of bankruptcy; and the whole edifice of our commerce is tottering upon the brink of a fearful chasm. It is at such a time, and in the face of such perils, that rational men are exhorted to shut their eyes to every consequence, and to struggle only for the preservation of a "principle," which will neither soften nor succour their distress. Such a homily was surely never before addressed to such hearers.

Mr. Morris also constantly repeats, that it was "only a panic." With as much reason, the people left alive at Lisbon in 1755, might have observed among themselves, that it was "only an earthquake." Mr. Gurney puts this most extraordinary strain of comment upon its proper footing. "I have sometimes," he says (Lords, Q. 1,146), "had the remark made to me—I have had it made to me by two successive Chancellors of the Exchequer,—‘It is only a panic! it is only a panic!’ Now, they might as well have said, ‘It is the greatest cause that can exist for deranging the circulating medium.’"

And, in the third place, Mr. Morris conceives that the issue of the government letter was inexpedient, because it might interfere with the influx of gold then in progress. We must confess that we have read this passage (Commons, Q. 3797) with more unfeigned astonishment than any of the rest. Of what conceivable consequence to the country was the beggarly pittance of bullion coming in from the Continent, compared with the magnitude of the interests then in jeopardy? It was neither wanted nor waited for. It might come or it might stay, without disturbing the value of a feather; and to advance a circumstance so emphatically insignificant, as a serious argument, upon such an occasion,

and in reply to such considerations, suggests reflections which could not be expressed, consistently with that courtesy which is due to the eminent persons whose opinions upon this subject we are compelled to controvert.

We are not aware that, beyond these general reasons, there has been any attempt to lighten the odium so generally and so justly attached to the present law, as increasing the distress of last year. Whatever may have been the additional efforts for its exculpation, they have been entirely founded on considerations of general policy, or upon equally general views of some very disputed question. To the first class belong the extreme, and, we must think, the dangerous views, especially of Mr. Morris, as to the perfect identity of treatment required by an external and an internal drain upon the bank. This was a point upon which, with the greatest propriety, the Lords' Committee were most careful and persevering in their inquiries. And we cannot doubt, in spite of the very small impression which the obvious bias of the Committee appears to have produced on those official persons whom it was most desirable to convince, that these very examinations will have done much to remove the erroneous views at present in vogue upon one of the most important and practical questions of the whole matter.

To the other class is to be referred the opinion chiefly expressed by Mr. Loyd, that after all, the exorbitant rates of interest prevailing in the autumn of 1847 must be regarded as differing very little from what was the legitimate relation then existing between the capital of the country and the occasions for its use. In shorter phraseology, that it was poverty, and not distrust, which in the course of a few weeks raised the rate of interest from 4 to 14 per cent. This is one of that peculiar kind of statements which it is difficult to characterise. If it is intended merely as an illustration of some specific fact, it is clearly open to the objection of expanding an exception into a law. If it is affirmed as a deliberate opinion, most men will be struck with the boldness, but few will acquiesce in the conclusions of its author. It would be difficult, indeed, to recall any single hypothesis arising out of these events, so loosely connected, or rather so widely at variance, alike with notorious facts and with the evidence given before the two Committees. We willingly concede that the immense territorial expenditure which has been in progress since 1844, and the famine of 1846, had produced some effect upon the rate of interest. But the best proof that that effect was at best but trifling, is to be found in the small account taken of it by practical men, most exposed to its consequences, and most interested in its correct appreciation. Mr. Gurney, for example, declares that while he believes, theoretically, that

some increase must have taken place, he has never been able to detect the influence of such a change in the course of his business. We concede, however, that the expenditure upon railways must have rendered loanable capital of greater value.

But then, between a concession of this sort and the doctrine of Mr. Loyd, there is an immense gulph. A rise of 1 per cent. in the general value of the capital of such a country as Great Britain would be a most prodigious effect. But the assertion of a rise of 5 or 6 per cent. in as many weeks, is a paradox which carries its own refutation upon the face of it. Beyond its own intrinsic weakness, however, the doctrine of Mr. Loyd fortunately admits of another and more direct contradiction.

If the extra expenditure that had taken place previous to the summer of 1847 had raised the market rate of interest to 8 or 10 per cent., then, *a fortiori*, an extra expenditure of equal, or nearly equal, magnitude continued subsequent to that time, would have raised the rate of interest still higher, or, at the very least, have prevented it from falling to a lower point. Now, has this taken place? It is certain that there has not been much practical abatement in the volume of the railway calls for the last twelve months; and it is also certain that during four-fifths of that time the market rate of interest has been under 4 per cent. The hypothesis of Mr. Loyd, therefore, conducts us to this dilemma—either that like causes do not produce like results, or that the exorbitant rates of interest in 1847 did not arise from any positive insufficiency in the quantity of then existing capital.

LETTERS TO A BRANCH MANAGER.

LETTER VIII.

Discounts.—Part 2.

MY DEAR CHARLES,— In my former letter upon this subject, I exerted myself (I trust to some purpose) to show, that a frequent and careful study of a customer's account, afforded a tolerable clue to his commercial progress. I chose to illustrate this position by an examination of the account of Mr. Philip Barnes, because it abounded in nearly every species of banking transaction symptomatic of a trader in distress, and therefore, supplied me with data wherewith to lay down upon your banking chart, so to speak, the rocks, and shoals, and shallows, which you will do well, at all times, to avoid, in steering your branch towards next dividend.

I could select another account, the exact converse of that of

Mr. Philip Barnes, and show, at equal length, how a customer's account looks and works when he is doing well; but this is less requisite. A branch manager pays his official regards necessarily to the accounts of the more speculative and less wealthy of his customers. He feels no anxieties, and need encourage none for the business property of parties who owe him nothing, or by whom it is a human impossibility that he can sustain loss. Let it suffice then to state generally, that the account of a man who is really prospering in the world, exhibits none of those symptoms of rapidly accumulating difficulties which are so obvious to the most cursory observer in the account of Mr. Philip Barnes.

Next in importance to a study of his account, the habits and character of a client are deserving of your attentive consideration. If a man's style of living, for example, becomes extravagant, and he gives himself over to excess, you cannot too promptly apply the curb, however regular the transactions upon his accounts may seem, because years may elapse before more irregularity of living will make any impression upon his banking account, whereas, irregularity in business will exhibit itself immediately; and for this reason,—that whereas improvident habits of living involve a continuous waste in small sums, spreading over tolerably long periods; improvidence in business may involve in one fell swoop the loss, perhaps, of thousands.

I hold, then, that you are not warranted in all cases in feeling satisfied of a man's perfect responsibility, *until* his banking account exhibits indubitable evidence to the contrary. When a man in business notoriously gives himself over to "sporting" propensities, for example, and becomes more intimate with the prices at Tattersall's than those at Mincing Lane—more familiar with the course at Epsom, than the course of the Exchanges; and more prone to take the odds on the Derby, than be even with his banker,—you are bound to observe his account with more than ordinary vigilance. Not that I would put such things down; I merely stipulate for them in season and moderation, and would rail only at their excess—at their indulgence to the neglect and detriment of one's business. Indeed, to be candid, Charles, I ought to confess to having myself seen the last cup run for, and further, to having staked a half-crown upon the issue. Which, of course, I lost; but this is in confidence.

Unquestionably, however, the most unerring guide to a trader's actual position, would be found in *his books*. Were they at all times open to the inspection of his banker, which with all deference to the prevailing prejudices to the contrary, I think they ought to be. A man lays bare his constitutional ailments with candour to his physician, because in the absence of a correct knowledge of his case, the physician might apply improper

remedies: for the same reason, a man should be candid with his banker, because if he will conceal from you the real state of his affairs, it is just possible that you may ply him with stimulants when severe purging would suit him better, or bleed him to death when a little strengthening, by way of assistance, would save his existence.

What should there be offensive or unreasonable in your stating to a person who comes to borrow money from you, at the miserable premium which banking profits afford for banking risks—that before you take his account, and discount his bills, and lend him money, you require to know his trading position, by a glance at his books? You may with a clear conscience assure him, that if his position is satisfactory, matters would go on much more comfortably for him and for you, than if you are left to guess at his position, and to have no data wherewith to rebut any rumour to his prejudice that may reach your ears at a future time.

I am perfectly aware, Charles, that this sort of confidence betwixt the banker and his client is the exception, and not the rule; and that, too commonly, the first acquaintance made by the banker with his customer's books, is in the Court of Bankruptcy, or at the first meeting of creditors. I am also aware how difficult it will be to render the custom general, until there is something like unanimity amongst the banks respecting it. It will hardly answer for the manager of the "Union" to become solicitous as to the affairs of his customers, whilst the manager of the "Alliance" continues all confident and indifferent upon the subject—otherwise, there would soon be a pretty general transfer of accounts from one bank to the other.

But this much, I think, *is* practicable in some of our smaller towns, where the banks are few in number, and a friendly and liberal intercourse exists amongst them. An understanding might be come to, that from and after a certain date, every bank should, as a rule, require an exhibition of the books of any party proposing to open a new account with it, should the account be of a description to require advances upon it, by way of discount or otherwise. This would give the practice a commencement, and once commenced, it would spread.

I do not doubt, Charles, but that such a proceeding as this would give rise to a tolerable degree of outcry on the part of those who had the gravest reasons for keeping the condition of their affairs literally in sealed books. But the prudent man of business, I firmly believe, would hail the opportunity of laying the position of his affairs confidentially before his banker—conscious that by so doing, he would assure to himself against

times of difficulty, distress, and panic, a larger measure of confidence and liberality than by any other course he could adopt.

If I am asked on what grounds I claim exclusively for the bankers a privilege, the exercise of which would save them from losses to an incalculable extent, I would answer, that in the first place, the profits of bankers are greatly less than those of other traders. Let a banker turn over his entire capital once every month, at five per cent. per annum, and his profits at the end of the year are only £50 at last on every £1000, *plus* his commissions, which you may set down at £30 more, in all £80. But in the case of a trader turning over a capital of £1000, once every month at a profit of five per cent., (a low rate, it will be admitted, for an average,) his profits upon the £1000 at the end of the year, are £600.

But, in the second place, were it customary for banks to insist upon a thorough acquaintance with the actual trading position of a party, not by mere heresay, but by actual inspection of his books, before opening an account with him, protection would thereby be insured to the interest of his creditors at large. There is no taunt more common amongst angry creditors, Charles, as you may happen to know perhaps by experience, than that but for *your* reckless advances to so-and-so (the insolvent), by means of which you bolstered up his credit, and made him reckless too, they would never have trusted him to the extent they did. Now, it is hardly to be conceived, that certain advances, which of late years have come to light, and are the scandal of our banking system, would have been countenanced, had the Banks who made them had an accurate knowledge of the position of those to whom they were made.

It may be said, perhaps, that the constitution of Joint Stock Banks offers a serious impediment to that free interchange of confidence betwixt bankers and their customers, which would be so greatly to the advantage of both. That the directors of a bank being for the most part engaged in business themselves, the customers of the bank have an insuperable dislike to making a disclosure of their transactions to parties that may be in the same business as themselves, and who might use the knowledge so obtained to their own advantage. But there is no necessity that the disclosure should be made to "the board." It need go no further than the manager; because his report could be made in those general terms, which would enable the board to come to a sound and proper decision upon the subject, without his disclosing a single fact that the customer would object to having repeated.

Whether the suggestions here thrown out shall take root, I

know not; but were this free interchange of confidence, which I advocate betwixt bankers and their clients universal, it is beyond doubt, that many rash and ruinous speculations would be nipped in the bud; many deserving men saved from the 'Gazette,' in the blind and indiscriminate rigours of panic; much capital saved from waste; multitudes of innocent creditors saved from loss; and many banks saved from irretrievable disaster.

I owe and offer an apology to your friends, Messrs. Potts and Co., for metaphorically detaining them a couple of months outside your counter, awaiting my decision as to that little draft of theirs, with which we opened the present subject: but I shall certainly pronounce judgment in the matter in my next. Meanwhile adieu.

THOMAS BULLION.

November, 1848.

GOLD AS A COMMODITY AND AS A STANDARD OF VALUE.

THE following communication, from the *Liverpool Currency Reform Association* to the editor of the *Economist*, with his reply, on the subject of the "Standard of Value," has appeared during the past month, and may, we think, be usefully transferred to our pages:—

"In reply to our communication dated the 10th ultimo, you say in your last number:—

"As gold is exported though there may be no less currency or money in the country, yet the available loanable capital becomes less, and can only be obtained by the payment of a higher rate of interest. A greater degree of uncertainty prevails as to whether it can be obtained in the necessary quantity to meet current engagements; and this fact induces all who have it to keep it in larger quantities than usual, to meet their own exigencies and contingencies."

"This exactly corroborates our views, because if the particular description of capital so exported did not possess the function of money, but consisted of a simple commodity, then we conceive that 'the available loanable capital' would not 'become less,' and consequently the same disorganising effects on credit and prices would not be produced. Even if the quantity of money in the hands of the public should not be less 'during a drain of gold,' by your own admission money is 'kept in larger quantities than usual by those who have it;' in other words, it is hoarded in anticipation of the reserves being exhausted. Thus the circulation becomes paralysed, and panic is the result.

"But the main characteristic of Sir Robert Peel's Bill being to cause a reduction of circulation by the withdrawal of bank notes when gold is abstracted, to say that 'the circulation is generally larger during a drain of bullion than in ordinary times,' is to say the bill acts inversely. It is certain, however, that the reserve in the bank is to all intents a part of the circulation, and any abstraction, therefore, by an export of gold, produces the same effect as though it was taken from the hands of the public.

"Again you say—

"But if in a state of barter a system of credits existed—that is, if extensive

loans of commodities were constantly made to be redeemable on a given day, with so much more for their use, what would be the derangement which would take place if a deficient harvest caused a sudden exportation of those commodities, on the usual supply of which all the community were relying for the payment of extensive engagements, and without renewed loans of which they would be unable to carry on their business?"

"We contend that, in such a case, the derangement would be felt *only* by those who had engagements to meet in the scarce commodities, and not by 'all the community,' as it is highly improbable that *all* commodities would become scarce at one and the same time. But it only requires 'a little consideration' to perceive that a state of barter, conjointly with a system of credits *does* actually exist; for gold being a commodity, engagements payable therein amount to barter, with this important disadvantage, that the community is limited to the use of *one* commodity only for the payment of their liabilities.

"Your remarks on the credit system only proved the danger and incompatibility of having a COMMODITY the measure of value; and therefore either credit should be abolished, or a new and more stable measure of value adopted.

"From your allusion to the small progress of the trade of France under a less extended system of credit, as compared with that of England, we presume that you admit credit to be favourable to the development of the productive powers of a country; and if so, that you will agree with us in the necessity of altering a system of currency which so seriously interferes with that development.

"A desire to confine ourselves to the effects of an export of gold in its two functions of commodity and money, induces us to abstain from remarking on other parts of your article. We must observe, however, that it is not correct to say that 'the *intrinsic* value of gold is regulated by supply and demand, the same as wheat or iron;' it is the *market* value which is so regulated."

The *Economist* says, "We must own ourselves much at a loss to know what the writers of this letter would be at. Do they object to a standard of value altogether? Do they wish to return to a state of barter? or do they conceive a mode of transferring commodities from one to another, and conducting all the transactions of business and credits upon some principle which has no definite relation to any commodities, and therefore to nothing that has an absolute value? The ground of their objection to our doctrines is, that we contended in former articles that a bad harvest and large importation of grain, would lead to a similar reduction in the exchangeable value of other commodities in a state of barter, as in our present system of currency. There is no means by which such a calamity can be met, that will not involve the community in great inconvenience and suffering. And there is certainly no means by which such an additional quantity of grain can be paid for, at so little sacrifice as by the precious metals which have everywhere, and at all times, a less variable value than any other commodity. Our Liverpool correspondents seem to think that if any other commodity which "did not possess the function of money" was exported, the loss to the country would be much less. But they must bear in mind that the seller of wheat in Hamburg has a voice in the terms on which he is willing to deal, as well as the buyer. Before

gold is exported, other commodities *are* exported to the extent to which they can be, profitably to the producers; and it is not until foreign markets are supplied with our productions, that we resort to gold to balance our larger imports. And it is quite certain, that if we pressed upon foreign sellers of grain, at that time, other commodities which have a less fixed and determinate value than the precious metals, they would only consent to receive them at a much greater reduction of price than ever takes place in consequence of the shipment of gold.

But do our Liverpool correspondents object to a standard of value altogether? or do they only object to gold as such? If they object to gold as a standard of value, then it is clear that any other commodity which they might fix upon would be subject to all the inconvenience to which they conceive gold is—and to others besides, as being of less steady and general value. In times of scarcity, whatever article represented the engagements of the country, even if it was only *inconvertible bank notes*, would be hoarded as gold or notes representing it—because always exchangeable—are at this time. A famine itself is always aggravated by hoarding. People hoard a supply for a month if there is an uncertainty of their being able to obtain the commodity at pleasure, when usually a supply for a few days suffices them. Hoarding in money, as in everything else, is a common effect consequent upon scarcity and uncertainty. Whatever commodity might be fixed upon as a standard of value, would be exposed to this objection in the same way that gold is at present.

But if our correspondents object to a standard of value altogether—which we are disposed to think they do, from their remarks—then we are at a loss to know how they would define future obligations. If one man lends another man £100 now, he knows what he has to receive at the expiration of the period of credit; but if the money of a country had no fixed and determinate value in relation to some commodity, and that one of the least possible variable value, how is the creditor to know what he is to receive, or the debtor what he owes? If a merchant in Liverpool *now* sells £1,000 worth of cotton on account of a house in New Orleans at three months' credit, he knows precisely what he will have to receive and what he will have to remit. But if a merchant in Rio de Janeiro sells calicoes on account of a Manchester house to the amount of 20,000 milreas at three months' credit, he knows how much paper money, which has no reference to any fixed standard of value, he will receive; but he does not know how much gold, silver, coffee, sugar, or any other commodity whatever, he will have to remit to England.

If we are not mistaken, these two cases exemplify the two

systems of currency inferred by our Liverpool correspondents; the first—that which is at present in use in this country—a mixed currency of coin, and paper convertible into coin, and both having a fixed relation to gold as a standard of value, and in which all money obligations are expressed, to which our correspondents object; and second, that of an inconvertible paper currency, having no intrinsic value, and representing no fixed or determinate quantity of any commodity whatever, and which they appear to prefer.

BOARD OF TRADE RETURNS OF EXPORTS AND IMPORTS.

THE accounts relating to the trade and navigation of the United Kingdom for the month, and nine months ending the 10th October, 1848, show a more favorable result, when compared with the corresponding month of last year, than any of the returns since February, when the disturbances in France first commenced. The table for October exhibits only a decline of £63,260, while that of the month of September was £539,381. All the previous months exceeded that amount, and April alone reached the enormous deficiency of a million and a half; it is, therefore, gratifying to see that the demand for our great staples is improving, and that the exports of our cotton and woollen manufactures are actually on the increase, when compared with the same period of last year, although they are still far behind the outgoings of 1846, the total exports for the nine months ending the 10th October in each year being as follows:—

1846	£40,008,874
1847	39,975,207
1848	34,624,978

Showing a decrease of £5,350,229, as compared with last year; and £5,383,896, when contrasted with 1846.

The following table will show the exact value of the *Exports* of British and Irish produce and manufactures, which form the principal articles of our national industry.

With regard to the exports of foreign and colonial produce, there is a large increase of cocoa, coffee, refined sugar, spices, cotton and sheep's wool, rum and Geneva; while there is a decrease in corn, rice, tea, foreign raw sugar, brandy, dye stuffs, metals, and quicksilver.

In the *Imports* of foreign and colonial merchandise, there is an *increase* in bacon, pork, cheese, eggs, cocoa, coffee, refined sugar, fruits, pepper and pimento, rum, and French wines; also

ARTICLES.	Month ended 10th October,		Nine months ended 10th October,	
	1847.	1848.	1847.	1848.
	£	£	£	£
Butter	16,186	20,427	102,837	124,024
Candles	4,699	6,669	34,226	41,324
Cheese	3,971	2,268	23,625	16,016
Coals and Culm	114,230	129,330	735,105	849,700
Cotton Manufactures	1,343,895	1,494,644	13,682,095	12,292,365
Do. Yarn	704,493	789,230	4,601,180	4,198,969
Earthenware	85,717	64,594	665,962	562,204
Fish—Herrings	47,835	79,249	128,124	162,446
Glass	25,387	21,903	232,285	183,596
Hardwares and Cutlery	242,102	154,160	1,786,600	1,412,328
Leather, wrought & unwrt...	32,940	28,676	271,025	199,147
Linen Manufactures	244,892	215,990	2,273,427	2,063,591
Do. Yarn	78,701	50,579	504,727	352,244
Machinery	135,612	92,373	942,533	656,148
Metals—Iron and Steel....	554,293	381,788	4,096,367	3,907,020
Copper and Brass	121,523	128,956	1,169,471	879,184
Lead	17,540	14,061	157,601	93,243
Tin, unwrought	29,030	16,752	131,965	127,491
Tin Plates	44,211	54,468	372,774	419,596
Salt	35,950	24,478	215,192	201,765
Silk Manufactures	57,211	53,300	785,665	427,180
Soap	21,142	10,768	129,083	113,905
Sugar, refined	33,318	42,837	323,317	340,960
Wool, sheep or lambs'	41,421	29,099	214,756	125,006
Woollen Yarn	135,381	113,468	778,725	524,283
Do. Manufactures	493,729	582,082	5,616,536	4,351,243
Total of the foregoing Articles	4,665,409	4,602,149	39,975,207	34,624,978

in cotton, flax, hemp, silk and wool, copper ore, logwood, madder, linseed, tobacco, oils, turpentine, tallow, and timber from British possessions; while there is a *decrease* in foreign timber, live animals, beef, butter, corn of all kinds, rice, raw sugar, molasses, tea, brandy and Geneva, hides, lead, iron, steel, spelter, and tin; also in quicksilver, saltpetre, goat-skins, and India bandannas.

The quantities charged with duty for home consumption of those articles which give evidence of the prosperity or otherwise of the people, show an *increase* in cheese, eggs, fruits, molasses, sugar, tea, and tobacco; also in silks, ribbons, and gloves: while there is a *decrease* in butter, cocoa, coffee, and corn.

With reference to the above, the City writer of the *Morning Herald* says,—

“We must again call attention to an important omission, we

may say very generally made, in comparing the monthly return of the exports and imports made by the Board of Trade. Our observations do not go the length of charging the Board of Trade with any omission in the form of a return, because we are willing to take it for granted that they give a faithful report of the materials furnished them by the Custom House authorities. We, however, contend that the entries at the Custom House, either outwards or inwards, furnish no just view of our commercial operations, either relatively or absolutely. For example, by way of illustration, the prices put upon the greater proportion of the commodities we export, by the parties making the entries, are altogether arbitrary, and furnish no data that can be relied upon as to their exchangeable value. The return just published by the Board of Trade, bringing the account down to the 10th ult., shows that, compared with the nine months of 1847, there has been a falling off in our exports, to the same period of the present year, of £5,650,000 in round numbers. This is of itself a very serious matter for consideration, admitting that the whole of the case were shown in that difference, which it is not. It will at once be evident that the proper measure of value for commodities sent to any market is, not the price which may be put upon them by the parties exporting, but the price which they fetch in the market when they are sold. Now we venture to affirm, without fear of contradiction, that, on the average, the goods exported during the present year have not brought within 20 per cent. of the rates at which they were invoiced, or even what is obtained for the same quantity in ordinary times. This difference must obviously, therefore, be added to the £5,650,000, by which our exports for the nine months of the present year have fallen off, before a just conclusion can be drawn of the actual state of our commercial relations."

MR. SPOONER'S THEORY OF THE CURRENCY.

THE following resolutions, proposed by Mr. Spooner, for adoption by the late parliamentary committee on the currency, contain apparently a fair and succinct exposition of his currency principles; and will be perused with interest by many of our readers.

The draft of resolutions, as proposed by Mr. Spooner, were as follows:—

1. That the standard of value established by the Act of 1816, and called into action in the year 1819, was not the ancient standard of value existing previous to the year 1797.
2. That the ancient standard of value was gold and silver coin jointly, protected by the heaviest penalties against reconversion into bullion, and against exportation. Silver in tale was a legal tender to an unlimited amount,

with the exception of nine years, namely, from 1774 to 1783; when in tale, it was limited to £25, but in weight continued unlimited; at the same time all the coin in circulation was greatly debased, but still was legal tender in all payments.

3. That the standard brought into operation in 1819 is a single standard of gold, at £3 17s. 10½d. per ounce, convertible into bullion, and free to be exported at the will of the holder, silver being a legal tender for 40s. only.

4. That in 1811, in consequence of the report of the Bullion Committee of 1810, a proposition, having for its object to obtain from parliament the recognition of the depreciation, which had then reached an alarming point, and a pledge to return to the ancient standard of value, was negatived; the fact of depreciation being denied, the futility of pledging parliament to return to a point whence parliament declared there had been no departure, followed as a matter of course.

5. That had not this proposition of the Bullion Committee been negatived by the House of Commons in 1811, it is not to be supposed that the country would have submitted to the heavy taxation of the time; that settlements would have been made, or debts contracted without reference to future changes in the value of money. It is now admitted that money was depreciated 30 per cent. When the report of the Bullion Committee was under consideration, it was strenuously asserted that no depreciation had taken place, and that there was no departure from the ancient standard; it being thus contended that there was no departure from the ancient standard, and this being affirmed by a vote of the House of Commons, the return to the standard could not then have been contemplated. The debtor interest, consequently, could not have contemplated that its burdens would be so much augmented; nor could the creditor interest have anticipated receiving payment in a currency which should possess so great an increased exchangeable value.

6. That every attempt to carry out the gold standard has been found impracticable, as is proved by the distress occasioned by the preparation for so doing in 1816, as well as by the passing of the bill in the year 1819, which enforced that attempt—which distress was only mitigated by the permission which was given in 1822 to continue the circulation of one and two pound notes until 1833; by a government loan in aid of the agricultural classes; and also by permitting an operation with respect to pensions, commonly called the "Dead Weight."

7. That the relief produced by these measures brought on the hollow prosperity of 1823, 1824, and 1825, and forced prices above the level at which gold could be retained in this country; gold was consequently exported, and the Bank was compelled again to limit the issues of its notes. The distress which had been witnessed in 1822 returned with accumulated force, and a reduction of prices to a ruinous extent took place, forcing an equally ruinous exportation of goods, which again brought back the gold.

8. That the exchanges being thus turned in favour of this country, the Bank of England again increased its issues; but credit had received so great a shock, and the commercial and manufacturing interests were so deeply injured, that general prosperity was not restored till the year 1836, to be again followed by a panic at the end of that year, which continued till Midsummer 1837; and another panic in 1839, all to be traced to the same causes, and which again produced such great distress, that in 1842 Sir Robert Peel, the prime minister, declared that indirect taxation had reached its limit.

9. That the bill of 1844 was enacted for the purpose of compelling the Bank of England to regulate its issues strictly in accordance with the state of the exchanges, and by this means to retain so large an amount of gold in its coffers as to ensure the convertibility of the notes of that establishment.

10. That the failure of the potato crop in 1846 caused a great increase

in the importations of foreign grain, as well as of other produce, and these imports were further increased by the adoption of free-trade principles. In consequence of these extra imports gold was exported, and the reserve of notes in the banking department of the Bank of England was reduced from about nine millions in December 1846 to two millions and a half in April 1847. This sudden reduction compelled the Bank of England forcibly to contract its issues, in order to regain its position. On October 23rd, the time of the greatest pressure, the Bank held more than eight millions of bullion in its vaults, and while the whole of the commercial and manufacturing interests and the labouring population were brought into the greatest distress, amounting to an almost total cessation of business, the bullion in the vaults of the Bank was, by the Act of 1844, in this emergency rendered perfectly useless; the Bank, however, was instantly relieved of its difficulties by the government letter of the 25th of October, and the pressure instantly mitigated, but the industrial powers of the nation have been so deranged, that up to this time vast numbers of the population remain out of employment.

11. That so long as the Bill of 1819 remains in force, these alternations of prosperity and adversity will continue. That a remedy at once easy and safe would be found in the creation of a national paper money, to be issued in the gradual repayment of the debt due from the government to the Bank of England; in the payment of the dividends and government annual expenses; the issue of the national paper to be limited to the amount required for these purposes; such paper money should be of convenient amounts for general circulation and for the payment of taxes, and should be a legal tender in all payments. This national money cannot but maintain an equitable value, so long as its issue is limited in the manner above described, and so long as the government is compelled to receive it in payment of taxes.

12. That there should also be for the purpose of foreign trade a mint bank, to be supported at the public expense, where bullion should be received, and for which notes, payable in bullion, should be issued; silver should be made a legal tender to the extent of five pounds in the present coinage, and by weight to any amount.

13. That the professed object of the promoters of the Acts now in force for the regulation of the currency, has been to secure a medium of exchange, which, in its influence on the value of commodities, should be steady and uniform. That sudden and extreme fluctuations in money values have always been deplored as great evils to all classes of society, and especially to the labouring population. That the evidence which has been given before this Committee, establishes the fact that not only are the Acts now in force powerless to prevent extreme fluctuations, but that they are the fruitful source of those evils, rendering all trading and mercantile undertakings unsafe, and bringing, in a vast number of cases, total ruin upon those who contract monetary obligations in reliance upon the continued value either of money or commodities.

15. That, in the opinion of this Committee, the full and impartial consideration of the monetary policy of England, and its effects upon the trading and mercantile interests, not only in this country but also in all the dependencies of the British crown, has been improperly neglected by the legislature. That a fair and candid discussion of this vital question has been obstructed by the leading members of successive administrations having unjustly attributed to the advocates of monetary reform designs against the interest of the public creditor and the good faith of the country. That such charges are manifestly and palpably without foundation; and that, on the contrary, it is an undoubted fact, that danger to the public creditor can only arise from an obstinate perseverance in a monetary system so restrictive in its character as to render it impossible to obtain such an amount of revenue as is required for the payment

of the interest of the national debt, and for the support of the State. That every effort to carry out the existing system to its full extent has been followed by a serious diminution in the national revenue, by urgent demands for the reduction of taxation, and by violent dissensions amongst the different orders of society, between whom the maintenance of perfect sympathy and mutual confidence is essential for the preservation of public faith, and of the institutions of the country.

EFFECTS OF THE BANK ACTS ON THE RATE OF INTEREST.

FROM the 5th September, 1844, the minimum rate of interest charged on advances by the Bank of England was $2\frac{1}{2}$ per cent. In 1845 it rose to 3 per cent.; in 1846 to $3\frac{1}{2}$; in 1847 it fell to 3, rose to $3\frac{1}{2}$, then to 4, then to 5, then to $5\frac{1}{2}$, then to 6; and then to 8 and 9 in October, from which point it fell in the same year to 7, 6, and 5 successively. During the present year it commenced at 5, fell to 4 and $3\frac{1}{2}$, and is now 3 per cent. The fluctuations during the last four years have, therefore, been nearly at the rate of 400 per cent.; so that parties who borrowed money in 1844 have, during the interval, been obliged to pay from two to four times the interest they originally calculated upon, according to the value of money. During the previous forty years the value of money scarcely varied more than a half per cent., excepting for a short period in 1840, when the minimum rate of interest was 6 per cent. From this comparison the public may gather some idea of the ruinous effects produced by the Acts of 1844 and 1845 upon the commerce and industry of the country. It is now, indeed, a matter of impossibility to form any certain calculation with regard to the probable result of any kind of enterprise, in consequence of the entire dislocation of our monetary system under the operation of the existing laws. From this cause, all classes are suffering more or less, and even the monied capitalist himself is beginning to feel the depressing effects of the general suspension or paralysis of industry and trade.

[This is a fair illustration of the working of the Act which was "to give stability to trade, and prevent ruinous fluctuations in prices." The *Scottish Railway Gazette*, from which we quote the statement, has heretofore shown the effect produced by the Bank Act on the trade and commerce of the country, and the ruin inflicted on shareholders of every kind, including the "monied capitalist," by such violent alterations in the rate of interest.]

FINANCIAL POSITION OF THE BANK OF FRANCE.

THE following statement of the condition of the Bank of France, at the close of the present year, will be useful for comparison with the statements of the position of the establishment which we published monthly for some time after the revolution of February last. The present return is for the week ending the 23rd of November, 1848.

	Week ending Nov. 16.		Week ending Nov. 23.	
	F.	C.	F.	C.
LIABILITIES.				
Capital	67,900,000	0	67,900,000	0
Capital of new fused banks	23,350,000	0	23,350,000	0
Reserve	10,000,000	0	10,000,000	0
Reserve of new fused banks	2,980,750	0	2,980,750	0
Reserve in real property	4,000,000	0	4,000,000	0
Bank notes in circulation.. ..	375,509,600	0	377,496,200	0
Do. Branch banks	26,856,225	0	24,602,225	0
Bills to order	413,171	30	433,262	0
Account current of Treasury, creditor ..	19,305,538	18	20,313,900	40
Divers accounts current	76,446,015	46	76,086,389	58
Accounts current in the branches ..	25,971,175	0	27,936,141	73
Receipts payable at sight.. ..	2,267,800	0	2,475,300	0
Receipts payable at sight in the branches	1,822,881	0	1,916,411	0
Drafts of branch banks payable by bank..	5,515,878	25	5,394,150	18
Drafts of bank payable by branch banks..	2,138,957	0	2,067,699	0
Dividends payable.. ..	204,510	50	196,977	50
Liquid. of branch bank of Algiers ..	449,679	4	417,699	4
Discounts, divers interests, and expenses.	3,212,494	75	3,249,726	17
Discounts and divers interests in branch banks	2,392,940	0	2,480,734	0
Re-discount last half-year	422,932	27	422,932	27
Ditto in branch banks	641,233	0	641,233	0
Sundries	161,218	1	168,642	36
	651,962,998	76	654,530,373	23
ASSETS.				
	F.	C.	F.	C.
Coin and ingots	131,542,059	54	133,732,381	84
Cash in the branch banks.. ..	103,735,164	0	105,128,475	0
Bills over due	1,554,005	87	209,541	12
Bills and acceptances in Paris	58,994,789	10	58,815,971	63
Do. do. in branch banks	109,158,156	42	109,155,744	0
Advances on bullion	14,123,916	0	13,969,866	0
Advances on French public funds ..	32,894,646	65	32,867,346	65
Advances on French public funds by branch banks	1,539,404	0	1,539,404	0
Advances to the state on treasury bonds..	50,000,000	0	50,000,000	0
Advances to the state on loan of 150 millions	50,000,000	0	50,000,000	0
Stock forming reserve	10,000,000	0	10,000,000	0
Stock, disposable funds	34,786,288	62	34,786,288	62
Investment of new fused banks in public funds	12,806,741	39	12,806,741	39

ASSETS.	F.	C.	F.	C.
Bank buildings and furniture	4,000,000	0	4,000,000	0
Real property of branch banks	2,524,717	0	2,524,717	0
Loan of 10 millions to the city of Paris ..	4,500,000	0	4,500,000	0
Interest in National Discount Bank ..	200,000	0	200,000	0
Interest of branch banks in the National Discount Banks of the provincial towns	230,000	0	230,000	0
Protested bills	13,235,360	29	12,961,635	77
Protested bills in branch banks	7,858,265	0	7,800,140	0
Expenses of management	480,517	71	480,529	1
Expenses of management of branch banks	383,865	0	388,296	4
Sundries	543,092	31	522,947	80
Treasury bonds to consolidate (formerly comprised in "Bills and Acceptances in Paris")	6,872,009	86	7,910,347	36
	<u>651,962,998</u>	<u>76</u>	<u>654,530,373</u>	<u>23</u>

The amount of bills under discount in June last was upwards of *forty millions* of francs; now they do not amount to *one half* of that sum!

As regards the probability of the bank resuming cash payments, the *Debats* says,—

"If it be wished to ascertain the situation of the Bank in the event of its thinking proper to resume the payment of its notes in specie, in accordance with the advice given by the Minister of Finance at a recent sitting of our National Assembly, the calculation may easily be made.

"The amount of its circulation is 392,000,000*f.* Let us add thereto the amount of the deposits, in that we may have the entire amount of its positive liabilities, and we shall have a sum of 504,000,000*f.* The metallic reserve amounts to 230,000,000*f.*, equivalent to 40 per cent. of the debts for which it is liable. It is seldom that the banks possess in their coffers a metallic capital proportionably so abundant, nor is it always—far from it—a sign of prosperity. It is only right to add, that the Bank has granted, for the advantage of the state, a loan of 150,000,000*f.*, of which only 25,000,000*f.* have been paid. It is therefore exposed to a more or less immediate demand of 125,000,000*f.*, to which 6,500,000*f.* must be added for the complement of the loan of 10,000,000*f.* advanced to the city of Paris. It will be seen that the liabilities of the Bank may hereby be increased to the extent of 131,500,000*f.*; they would, in that case, amount to 635,000,000*f.* or 636,000,000*f.* Supposing the metallic reserve should remain *in statu quo*, it would amount to about 30 per cent. on the liabilities."

Banking and Commercial Law.

SUMMARY OF THE LAW OF INLAND BILLS OF EXCHANGE AND PROMISSORY NOTES.

As we are frequently receiving inquiries respecting the law of inland bills of exchange and promissory notes, we think a brief digest of the leading points in the law relating to these securities,

which it is important should be understood by persons whose business renders it necessary for them to be practically acquainted with the leading principles which the courts of law have laid down, respecting inland bills and notes, will be found useful. We have accordingly drawn up the following digest, and it will, we think, be found to include nearly every point of importance on the subject :—

Of the form of Inland Bills of Exchange.

An inland bill of exchange usually runs thus :—

£200

London, 1st January, 1848.

Three months after date (or on demand, or three months after sight), pay to A. B., or order, or to me or order) the sum of £200 value received.

To E. F.

C. D.

Endorsed on the face—"Accepted—E. F. payable at——"

The words "or order" are necessary to render the instrument negotiable, and if they be omitted the bill must remain in the hands of the drawer and payment must be made to him. Any departure from the ordinary form may lead to unforeseen difficulties; and therefore, all irregular and doubtful instruments should be carefully avoided by men of business.

A bill of exchange must be stamped with a stamp of the proper amount, and denomination. Thus, a receipt stamp, although right in point of amount, would be of a wrong denomination; and a bill of exchange, drawn on it, would be of no value. It is well to observe here, that bills of exchange cannot be stamped after they are drawn. For the proper amount of stamp duty, we refer to the stamp act, in another part of this work.

It is important to be satisfied, that the parties to a bill are of legal capacity to sign such a document. Thus, an infant would not be bound by his signature; nor a married woman, unless she acted as agent for her husband, in which case she could bind him; nor a lunatic, if the party taking the bill knew of the lunacy; nor a partner upon a bill drawn by any partner in fraud of the firm. But, perhaps, the most embarrassing questions on this point, arise on bills which are drawn, accepted, or negotiated by the directors or officers of public companies. In these latter cases, care should be taken that the directions of the Act of Parliament, charter, or deed regulating the company, have been strictly followed, otherwise the company will not be bound.

Of the Form of Promissory Notes.

The common form of a promissory note runs thus :—

£200

London, 1st January, 1848.

Two months after date (or on demand, or two months after sight), I promise to pay A. B., or order, the sum of £200 value received.

C. D.

Some of the remarks we have made on bills of exchange can be readily applied to promissory notes. Any departure from the common form is dangerous. The regulations of the Stamp Act are the same for both documents. Of late years, a kind of promissory note has sprung up, which has been made payable to the maker's own order, instead of to a third party, or order. Much litigation has lately arisen upon these notes, and some of the courts have decided that they are not negotiable instruments. This is an instance of the danger of departing from well-established forms.

Of Alterations in Bills of Exchange and Promissory Notes.

A material alteration will not invalidate a bill or note, if made before it is a complete instrument, and with the consent of the parties; but, under any other circumstances, it will destroy the validity of the document; and, as the burthen of proof of the facts attending the alteration would be thrown on the holder, a bill or note which appears to have been altered ought to be regarded with great caution.

Of the Transfer of Bills of Exchange and Promissory Notes.

When bills of exchange or promissory notes are payable to order, they are transferable upon being indorsed by the drawer and payee. After they have been so indorsed, they may be transferred by the subsequent holders, either with or without their indorsement; and in the latter case the holder incurs no liability. When a bill or note has been taken in the course of business and for a valuable consideration, the holder is not affected by any fraud in obtaining it, of which he was ignorant.

Of the Presentment of Bills of Exchange for Acceptance.

When a bill of exchange, payable at a certain time after date, is put into circulation without having been accepted, there is no obligation upon the holder to present it for acceptance, unless he think fit. When the bill is payable after sight, the holder ought either to present it, or put it into circulation within a reasonable time. But if the holder present an unaccepted bill for acceptance, and it be refused, notice should immediately be given to all parties liable, in the same manner as if payment had been refused. Presentment for acceptance ought to be made during the usual business hours. The holder is not bound to receive an acceptance which varies from the tenor.

Of the Presentment of Bills of Exchange and Promissory Notes for Payment, and of preserving recourse.

The presentment for payment must be made during business hours on the precise day when the bill or note becomes due; and if dishonoured, immediate notice thereof must be given to all the parties liable, except the acceptor of the bill or the maker of the note, to whom neither notice or presentment is necessary, except in the case which will be hereafter mentioned. The notice should

be sent from the holder the day after he knows of the dishonour, at latest, and should be to the following effect:—

1, Lombard Street, London.

SIR,

1st January, 1848.

I beg to inform you that the bill of exchange for £200, drawn by you, upon and accepted by A. B., dated 29th October, 1847, at two months, was duly presented for payment, and was dishonoured; and, therefore, I look to you for payment of the same in due course.

I remain, &c.

G. H.

A duplicate of this notice should be made and examined by the party who posts or delivers it. If sent by post, the letter should be carefully directed, and the direction should be copied on the duplicate. The letter ought to be posted or delivered by some person who can be brought forward as a witness, in the event of legal proof becoming necessary.

When a bill of exchange is made payable at a particular place, and the words "only and not otherwise or elsewhere" are added, a presentment there is then necessary to charge the acceptor; and when a promissory note is made payable in the same manner, or a place of payment be named *in the body of the note*, a presentment there is then necessary to charge the maker. In this last respect there is a distinction between bills of exchange and promissory notes. A protest is in no case necessary on the dishonour of an *inland* bill or note.

LIMITED LIABILITY OF A BANK FOR ENDORSEMENTS BY ITS MANAGER OR PUBLIC OFFICER.

Alexander v. M'Kenzie, (public officer).—Court of Common Pleas, Monday, 20th November, 1848.—This was an action, on a bill of exchange, against the defendant as one of the registered public officers of the *Newcastle-upon-Tyne Joint-Stock Banking Company*. The company were sought to be made liable under an endorsement by a former manager, made, *per procreation*, for the company. The form of the endorsement was "P. P. *Newcastle-upon-Tyne Joint-Stock Banking Company*, H. Bechley, manager." It appeared that the bill was an accommodation-bill, drawn and endorsed after the bank had stopped payment; but the plaintiff was a *bona fide* holder for value. Before the bank stopped payment, the same person (Mr. Bechley) had been in the habit of endorsing bills in the same form under an authority from the company, and had continued to do so to some extent after the bank stopped payment, in reference to the bills of former creditors of the bank. There was no doubt, that with respect to the bill in question, no express authority to endorse had been given by the company, and the question raised upon a rule nisi for a new trial upon the ground of misdirection (a verdict having been found for the defendant), was, whether or not the company must not be considered as having given an implied authority to Bechley to endorse the bill in question, so as to make them liable to the plaintiff, a *bona fide* holder, without any notice other

than that given by the words "*per procuration*," &c., which, it was contended, did not alter the plaintiff's right.

The court said, the case might be considered as if there had been no stoppage, as that, in the opinion of the court, made no difference. No doubt, a business partnership, if they thought proper, might allow a clerk to endorse bills in the name of the firm, and pass them into circulation, without any limitation of authority; and here, if the joint-stock company had allowed the manager to sign the trading name of the company, and circulate bills so signed, without any notice to the public otherwise, the public would not be bound to inquire into any special circumstances which prevented an act of such a nature from being considered a proper one on the part of the manager, so as to bind the company. But, in the present case, the company had not allowed any delusion to be practised upon the public. There was a special intimation to the plaintiff, by the words *per procuration*, that the endorsement was not the act of the bank, but of a person who professed to have the authority of the bank, and a party must be considered as taking the bill upon the faith of that representation. That was the doctrine laid down in "*Attwood v. Manning*," 7 Barn. and Cres., 78, and since acted upon. If a person took a bill endorsed as that now in question, he must satisfy himself, that the person endorsing had the authority that he professed to have, or take the risk of its turning out that no such authority existed. The plaintiff, therefore, was not entitled to recover in this case.

Rule discharged.

BILL SWINDLING.

GADDERER v. HAIME—11th Nov. 1848.—In this case, which has been previously reported in our pages, the plaintiff (who pretended to be a *bona fide* holder of an acceptance of £200 of the defendant's which had been obtained from the latter by fraud by the bill swindlers) sought to recover this £200 "on a bill of exchange, drawn by one Lomas on the defendant, on the 27th of January 1847, at three months, and endorsed by Lomas to other persons named Miles and Shiers, and ultimately to the holder, the present plaintiff."

At the trial before the Lord Chief Baron, although the defendant's acceptance was proved, yet the plea of fraud was so satisfactorily established, that with their verdict for the defendant the jury returned a special finding, to the effect that "the defendant had received no consideration for the bill; that the bill had been obtained from him by fraud; and that the plaintiff had been aware that the fraud had been committed."

Mr. Humfrey, on behalf of the plaintiff, now moved for a rule for a new trial on affidavits stating surprise, and also on the ground of misdirection. The defendant is an old gentleman, residing at Pilgwell, near Newport, Monmouthshire, and a member of the Wesleyan connection. An advertisement had been published in the *Watchman* newspaper, addressed to ministers of this persuasion, informing them that they might borrow £7,000 in various sums, for the "erection of chapels," &c. The defendant caught by the apparently good intentions of the advertiser, who required letters to be addressed to James Lomas, 33, Mount-street, Lambeth, applied for an advance of £200, and was trapped into the folly of sending up two acceptances for £200 each. Lomas has since turned out to be a mere "man of straw," a mere name, but the unfortunate defendant's acceptances were immediately put into the channel of currency already prepared, and ultimately the present action was brought upon it, although the defendant never received one farthing consideration. The learned counsel, in urging the plaintiff's case to the court, now mainly relied on the fact, proved at the trial, of Gadderer having been seen to give

value to his endorsee, and that person to his, and of their being, on the other side, no evidence to show that the defendant ever received consideration.

The Court, however were too strongly impressed with the fraud in which the bill had been concocted, to entertain Mr. Humfrey's explanations of the numerous difficulties they called upon him to account for. When the learned counsel had concluded, the Lord Chief Baron said—"I am of opinion that there should be no rule in this case, and that ample justice has been done to all the merits at the trial. And I am surprised that, considering what has been previously proved, any person could be desirous of giving increased notoriety to his name, involved as it is in the application which Mr. Humfrey has had the courage to make. The learned counsel has certainly made it in a proper manner, and no blame attaches to him in that respect; but I own *I am greatly surprised that those who instruct him should desire to give increased publicity to the infamy that appears to me to belong to this transaction.*"

Mr. Baron Alderson.—"And my only surprise is, Mr. Humfrey, that you have been able to keep your countenance."

Savings' Banks.

THE LATE PARLIAMENTARY COMMITTEE ON THE IRISH SAVINGS' BANKS.

ALTHOUGH the frauds committed in the Tralee, Killarney, and Cuffe Street, Dublin Savings' Banks, were the chief points which occupied the attention of the committee of the House of Commons appointed in the last session to inquire into the Savings' Bank laws, and which led to the recommendation that a bill should be passed in the present session, regulating the liability of the trustees of Savings' Banks, and providing for the appointment of auditors of the accounts of Savings' Banks—which recommendation was forthwith carried out in the case of the Irish Savings' Banks—the operation of the entire Savings' Bank system throughout the United Kingdom came under their review. The witnesses examined before the committee were—Mr. *Tidd Pratt*, the barrister appointed by the National Debt Commissioners as the examiner of the rules of Savings' Banks, and as the arbitrator in cases of disputes; Mr. *James Higham*, Assistant Secretary and Comptroller of the National Debt Office; Mr. *Justin Supple*, a solicitor at Tralee, deputed by the depositors in the Savings' Bank there to state to the committee the case of their claims and losses; Mr. *Thomas Haslam*, the actuary of the Meath Street, Abbey Street, and Lurgan Street, Dublin Savings' Bank, summoned by Mr. Reynolds, one of the members for Dublin, and a member of the committee, to give evidence as to the effect produced upon that bank by the failure of its rival, the Cuffe-street, or St. Peter's Parish Savings' Bank; the Rev. *Arthur Rowan*, the Treasurer of the Tralee Savings' Bank; and Mr. *Keating Clay*, a solicitor in Dublin, acting as secretary to a

committee appointed by the depositors in the Cuffe-street Savings' Bank, to prefer and support their claims. The committee were eight days examining these witnesses, so that ample time was afforded for collecting the copious mass of information upon which they founded their report, and which will be again available if the inquiry should be renewed in the next session.

The opinion of the committee that a further inquiry should not, however, be delayed so long, was most strongly and conclusively expressed at their last meeting, on the 24th of August, on reading their proposed report; when Mr. Herbert, the member for Kerry, proposed as an amendment to omit the recommendation that the inquiry should be prosecuted *during the recess*; upon which amendment the committee divided. Mr. Herbert, of course, supported his own proposition, and stood alone; the other members, viz., Mr. Shafto Adair, Mr. Gibson Craig, Mr. Goulburn, Mr. Hume, Mr. Reynolds, Mr. Poulett Scrope, and Mr. J. A. Smith, opposed it; and the original draft of the report was therefore carried.

Much discussion ensued in the committee as to the propriety of publishing the evidence of the witnesses, lest, from its nature, and the disclosures made in it, any alarm should be raised in the minds of Savings' Bank depositors generally as to the security of their money. For these reasons, the evidence has been suppressed. Indeed, so fearful were the committee on this head, that it was thought advisable to propose that the bill recommended to be introduced forthwith respecting the liability of trustees, and the appointment of auditors of the accounts of Savings' Banks, should be passed without any discussion.

This, however, was by no means the case, although the bill was carried through the House of Commons somewhat rapidly. It was introduced and read a first time on the 25th of August, without comment; but, at every subsequent stage of it, a debate arose. It was read a second time on the 28th, and committed on the 29th of August; when the principal debate on it took place, and when a motion was made for going into committee on it that day three months, which was lost by a majority of 28 members in a House of 49 members. Another division took place at a subsequent period of the same sitting, on a motion that the provisions of the bill should be limited to Ireland; which was also negatived by the House, the numbers for the motion being 11, and against it 30. Further debates arose, both on the 30th of August, when the bill was reported to the House, and on the following day, when it was read a third time and passed. On the latter occasion, the Chancellor of the Exchequer declared his intention so far to meet the wishes of the opponents of the bill, as to limit its operation to Ireland.

Should its provisions be found to be productive of benefit in that country, and to be attended with the successful result anticipated by its framers and promoters, there can be no reason why it should not be applied to the other portions of the United Kingdom, because many of the Savings' Banks there are understood equally to require regulations similar to those enacted in the Act. At any rate, whether the Irish Act of Parliament will be so extended or not, there can be little doubt that the whole Savings' Bank system may be considered in a fair way of being materially altered and improved, now that a committee of the House of Commons, who were specially charged to inquire into it, and who were unable to bring their inquiry to a satisfactory conclusion last session, in consequence of the late period at which the matter was referred to them, have recommended that a further investigation should take place either during the recess, or in the next session of Parliament; and now that the system has been at length acknowledged by the government authorities before the same committee, to be defective in its details, costly to the nation, insecure to the depositors, and liable to the grossest abuses.

With reference to the above subject, the *Dublin World*, a well-written Irish journal, has the following remarks:—

“It appears to be a condition affixed to all things in this world, that they should be more or less imperfect. The best that our efforts can attain to, leaves much still to be desired. Seldom, however, do we even do our utmost, and in most cases the best intentions are allied with the worst practice. When men come to act collectively, a knave is generally found yoked with a fool, and most public bodies might be divided into a series of such couples. The Savings' Bank system was in its outset almost as good as the Negro slavery mania; the one would make the black man happy, while the other would render the white man rich. Both, however, have failed in the practice; the number of slaves is greater, and the treatment ten times worse, while the men who were to be made rich have been swindled and plundered out of their earnings. Some are surprised at such events as the Peter-street affair, the Tralee embezzlement, and divers others; we, however, can plead guilty to no astonishment. It is a good many years since we warned the public to keep their hands in their pockets, and their eyes sharply on the trustees. At that time it was fashionable to laugh at any one who insinuated a doubt of the solvency and good management of the Savings' Banks. We went on, however, and our time to laugh has now come. Plunder, incompetency, untrustworthiness, wilful, and accidental, have been found connected with this institution to an extent utterly unparalleled, and Parliament has been called upon

to revise the system and place it on a new footing. In consequence, a bill was introduced and carried, which became law on the 5th ult. The principal feature of this statute is, that trustees and managers are to be held accountable, and their property is to be a guarantee for the honesty of their conduct. We should like to know who will become a trustee under these circumstances? Who will have sufficient philanthropy to stake his fortune against the integrity, not of himself alone, but of half a dozen, or half a score other co-managers and trustees, and all for no earthly object but charity? Again, how many scores of small towns are there where no person could be found of sufficient property to become a trustee? Are such to have no Savings' Banks? A hint is thrown out, that the management should be taken up by the government! The board of works, the ordnance survey, the valuation, in short, every institution in connexion with the administration, goes on so admirably, that the Savings' Banks also should be forthwith placed under government patronage! In plain language, however, the system of working by the hands of public boards, will not longer be tolerated; wherever we turn we find confusion, corruption, and incapacity. Why might not fair laws, simple, intelligible, and binding, be brought into force for the establishment of banks for the lower classes?

Communications.

To the Editor of the Bankers' Magazine.

BILLS OF EXCHANGE.—QUERIES AS TO BILLS OF A CUSTOMER, A BANKRUPT.—NOTICE OF DISHONOUR FROM A BRANCH BANK—WHEN REQUIRED.

SIR,—In your last number you have published a letter from a Correspondent, "L. M.," as to the right of an official assignee to certain bills in the hands of a banker; such bills having been discounted for the drawer, and when at maturity debited to his account, and he subsequently having become bankrupt. May I ask you whether bills, so held by bankers (being, in fact, merely vouchers for the debits), can be withdrawn from the bankrupt's account, and the acceptors proceeded against by the bank, does not the debit constitute a payment? It is the custom on the maturity of a bill, if not provided for by the acceptor, to credit local bills, and debit the drawer's account; supposing it to have been debited for him. I am inclined to think it not unfrequently happens, that the acceptors remit a portion of the amount to the drawer, or perhaps, the whole; and they, not being applied to by the banker, take it for granted that their bill has been returned, and give themselves no further trouble about it. And, suppose such a case, the drawer fails, and the bank proceeds against the acceptor, will the law support the bankers' claim?

May I also beg the favour of your opinion, as to how far the branches of a bank may be considered as a separate holder of a bill of exchange? I

transmit from my office to another branch of the *same bank*, a bill for collection, when due and unpaid, the manager then retains it until the day after maturity, and then returns it to me. I, by that night's post, advise the proper parties of the dishonour. Are we not in course? A local legal opinion says, "No; my client should have had advice direct from your other office, or you should have been advised on the day the bill became due, and my client then would have been advised one day earlier, which would have been in course; you are now a day too late." This doctrine is new to me, and I believe our opponent wrong; but there are so many crotchets, and such hair-splitting among our legal friends, that I beg to submit the question to you, and shall feel obliged by your opinion.

I am, Sir, your most obedient servant,

M. L.

1st.—We think the law will support the bank's claim to the full extent, of what is due upon the bill, and perhaps to the amount of the bill, without allowing the payment made on account of it to the drawer. If the acceptor desire to secure himself from liability to pay the full amount of the bill, after he has paid the drawer part, we think he ought to have it written off the bill. The nearest case we can find upon the point is, *Bolland v. Bygrave, Ryan and Moody's Reports*, which decide that:—A banker who has discounted bills for a customer, or accepted bills for his accommodation, has, while such bills remain unpaid, a lien on any negotiable securities of that customer which may come to his hands, and may put the same in suit. And even where taking into account the bills on both sides, the customer has a balance in his favour, of a sum not equal to the amount of any one of them, this surplus cannot be appropriated to any one of the bills in reduction of the claim of the banker, suing any of the parties to the bill.

2nd.—We think the branches of a bank may be considered as separate holders of a bill of exchange. *Moule v. Browne*, 5, *Scott's Reports*, 694:—If that be so, the rule is, that notice should be given by the holder to his indorser, by the post of the day after the dishonour, and the party who receives the notice of dishonour need not transmit it till the next post after the day on which he himself receives the notice, and therefore our correspondent is right.

ED. B.M.

DEAR SIR,—In the last, or fifth edition, of '*Byles on Bills*,' page 12, there are the following remarks:—"A check for less than the sum of twenty shillings is absolutely void, and the uttering or negotiating such an instrument is an offence subjecting the offender to a penalty of 20*l.*, mitigable to 5*l.* So, also, it is an offence to utter a check on which less than twenty shillings remains due. (48 Geo. III., c. 88, s. 3.)

As this is an offence very likely to be committed by any banker, I should be glad to be informed if a fine for a breach of that clause of the Act in question has ever been inflicted, or whether it is considered that it would not be applied to checks? Bayley, Chitty, jun. and Byles' second edition, do not appear to have made the remark, although they quote those Acts with reference to other points.

I am, Sir, yours obliged,

F.

Nov. 28, 1848.

[We believe the law to be correctly stated in the above extract from '*Byles on Bills*,' but we are not aware of any case in which a fine has been inflicted.—ED. B.M.]

ERRORS IN THE "OFFICIAL" RETURNS OF CIRCULATION.

DEAR SIR,—On comparing the weekly accounts of the circulation of the Private and Joint Stock Banks in England and Wales, under the Act 7 and 8 Vict., cap. 32, published in the '*Banker's Magazine*,' with the returns from the registrar of bank returns, given in the appendix, No. 24, to the "Report from the Committee on Commercial Distress;" I am surprised to find they do not agree in any one week throughout the period, though, up to the 9th October, 1847, the numbers of Private and Joint Stock Banks making returns, as given in both, exactly correspond.

As I have paid particular attention to your circulation returns, and, on adding many of them up, have always found you correct. I am inclined to place more confidence in the Magazine than in the official returns. £100,000 more or less in the country bank note circulation throughout England and Wales, can have little or no effect; but it is of great importance that all statistics, published by authority of the government, should be correct, in order to insure the confidence of the public in them; otherwise, their publication would be not merely useless, but highly mischievous.

It would be highly desirable to have your suggestion carried into effect—"For the registrar to give the aggregate weekly amounts of the circulation" in the '*Gazette*,' along with the returns from each bank. Were this done, any error would be at once detected and amended—which, after a lapse of three or four years, is very difficult to accomplish. If you purpose taking any steps in this matter, we could get several members to support the motion when parliament meets, or to name it to the Chancellor of the Exchequer.

I am yours, &c.,

A COUNTRY BANKER.

SPANISH AND PORTUGUESE DIVIDENDS UNPAID.

A Correspondent says, "The Editor of the '*Bankers' Magazine*' would confer a general benefit on all the monied and mercantile interest by stating what expectations there are as to Spain and Portugal at last being induced to act honestly. Swindlers are punished in private; and are governments, more especially those for whom oceans of British blood and English capital have been sacrificed, to be allowed to defraud their foreign creditors at pleasure? Eight years' interest is due from Spain, and surely it is time some national effort was made. At the end of the last session, Lord Palmerston made declarations on the subject; but why is nothing done? Is this shelved, like other measures, by our aristocratic rulers? Republican France upholds her national faith and public credit by respecting her engagements. This conduct of Spain and Portugal is a blot on Europe, and may become a fatal precedent; for if governments violate faith, what becomes of public credit, on which successful commerce depends? Surely it calls for the notice of all the press and every monied man."

THE RATE OF INTEREST AND THE CURRENCY.

SIR,—The recent reduction of the rate of discount by the Bank of England to 3 per cent. is a measure of at least questionable policy. In common, I believe, with many other persons in this country, I entertain the opinion that if legitimate employment cannot be found for money at $3\frac{1}{2}$ per cent., it is unwise to seek to create employment for it at a lower rate, whatever amount of notes for the time being may be lying in the bank inactive. If experience is to have any weight with us in this matter, it should teach us that a low rate

of discount has been the precursor and the predisposing cause of every speculative mania that has run its course of folly in England during this century. This, I apprehend, is no longer an hypothesis requiring proof, but an admitted truth.

It will be argued, perhaps, that the market rate of discount has, for some time back, ranged below $3\frac{1}{2}$ per cent., and therefore, that the bank is justified in seeking employment for its funds at the market rate. I admit the fact, but reject the conclusion. The Bank of England is not an ordinary discount house. The bill-broker deals with currency actually afloat, he is no creator of money; but the bank, in addition to its ordinary banking resources, has the privilege of creating currency at will to the extent of fourteen millions beyond its reserve of specie.

Now, sir, I am far from questioning the expediency of this privilege being continued. On the contrary, I would rather see the limit of the surplus issues raised to twenty millions, on certain conditions; but I do question the policy of permitting the bank to seek employment for this surplus, or any portion of it, at any rate of interest the bank may choose to fix. A privilege so vast, for evil or for good, was never meant; and ought never to be administered, for the exclusive benefit of the holders of bank stock. If the profits of the establishment can only be maintained by rates of discount subject to fluctuations so great and capricious as to defy ordinary foresight, and derange the calculations of the shrewdest, it becomes a grave question whether the issue of notes cannot be managed on some principle that will have more regard to the interests of the community at large.

When the country places fourteen millions of notes at the disposal of the Bank of England—which virtually it does—the country has a clear right, at least, to name the lowest price at which those notes shall be issued. It has a right to prohibit the issue of those notes at rates of discount that may create a false confidence, or stimulate the dormant energies of speculation—even if the prohibition should have the effect of rendering the bank, at times, a heavy holder of its own notes; for we are under no pledge to the bank that employment shall be found at all times, and under all circumstances, for every note it has a right to issue.

Now, the average rate of discount in London on first-class commercial bills during the twenty years ended December 1, 1844, was $3\frac{1}{2}$ per cent. within a minute fraction. This is a fair basis, and a fair rate. Let us adopt it, and say to the Bank of England—"You shall continue to enjoy the privilege of issuing notes as at present, but on this understanding: that your rate of interest, in future, on discounts or advances, shall never be less than $3\frac{1}{2}$ per cent. to the public, nor less than 3 per cent. to the banks."

If it be objected, that by this restriction the dividends on bank stock would be diminished—which, however, may be doubted—I would respectfully submit that this consideration is of immeasurably less importance to the country, than a sound administration of the currency and the well-being of British commerce; and, if this was not conclusive, I would add, that it is at all times at the option of the bank to abandon its right of issue, should it find it desirable so to do.

The operation of such a law—a fixed *minimum* rate of interest at the Bank of England—would do more, I humbly conceive, to give a sound and equitable action to the currency, than the nicest relations which you can establish betwixt the circulation and the bullion. Its effect would be, to keep the circulation constantly adjusting itself (so to speak) to the actual monetary requirements of the community. When the market rate fell below the bank's *minimum*, the private securities held by the bank would gradually become diminished, and the circulation contracted, until the market rate rose to the level of the bank rate. On the other hand, when the market rate rose above

the bank rate, the variation would speedily be adjusted by an increase in the private securities, and a consequent enlargement of the circulation. Under such a system as this, the rate of discount, instead of indicating a range of from 2 to 10 per cent., would probably range within limits of which 3 and 5 per cent. would be the extremes.

By a simple device, the floating ball of a water cistern maintains the water at an uniform level; by a device equally simple, and somewhat analogous, you would so regulate the ebb and flow of the circulation as at all times to maintain it at that level which would be sufficient, and not more than sufficient, for the monetary requirements of the country. The principle, moreover, is neither altogether new nor untried. The Bank of France maintained its rate of discount at 4 per cent., without variation, for more than a quarter of a century, with the best results, although the period was marked at intervals with great political and commercial agitation.

For the present I conclude, and remain, Sir,

Your very obedient Servant,

Nov. 7, 1848.

R. A. E.

[The above letter has appeared in *The Times*.]

Reports of Joint Stock Banks.

NOTE.—[We shall be happy to give publicity to the Reports of all Bank Meetings, as early after they occur as possible, if the Secretaries will please to favour us with Communications. The information thus afforded will be exceedingly interesting and valuable; more particularly so as no such collection of Reports has ever yet been published.—ED. B. M.]

ROYAL BANK OF IRELAND.

At the annual general meeting of the proprietary, held November 7th, Mr. Copland, the manager, read the requisition convening the meeting, and also the following report from the directors:—

The paid-up capital of the bank is	..	..	..	..	£209,175	0	0
The amount of reserve fund	..	..	..	..	45,475	8	0

The net profits of the year, which terminated on the 31st of August last, after deducting all expenses of management, amount to	..	..	..	..	19,877	16	4
Out of which have been paid to the proprietors two half-yearly dividends at the rate of 5 per cent. per annum, amounting to	..	..	..	..	10,458	15	0

Leaving a surplus on the year of	..	..	..	..	£9,419	1	4
Which has been added to the bad and doubtful debt fund.							

When the directors had last the pleasure of meeting the proprietors, they had reason to contemplate the near approach of the period when they should have been able to have made the satisfactory announcement of either an increased dividend or of a bonus on the shares of the bank; and while they regret that the losses of the past year have prevented their realizing that expectation at present, they still trust that the time is not far distant when they shall be enabled to do so.

The interval which has elapsed since the last annual meeting of the proprietors has been distinguished by events, both political and commercial, of so extraordinary and unpropitious a nature as to be almost without a parallel;

and their consequences upon mercantile and banking operations have been proportionably disastrous.

Of these unfavourable results, the Royal Bank has, this year, experienced much more than an ordinary share; but, serious as these have been, the directors are happy to be able to state that, taking the most unfavourable estimate of them, they have every reason to think the losses of the year will be fully met by its surplus profits, and will involve no necessity of trenching on the reserve fund.

The circumstance of the major portion of the year's losses having been created by the failure of a firm, the senior of which was a member of the Board of Directors, has been a subject of most profound regret to the latter: and although they must admit that, deluded by the representation made to them, they, in this instance, extended their confidence beyond the bounds of strict prudence, it is some consolation to them to reflect that they did not neglect the duty of exacting collateral securities from the party alluded to, for the advances made to the house; and had it not been for the most unprecedented depreciation which these securities, in common with all others of a similar nature, labour under, the directors would have had no loss whatever to report from the source in question.

It only remains for the directors to repeat the assurance which, in all former years, they have been enabled to make, that the general condition of the Bank is of the most satisfactory nature; and as the confidence of the public in its stability and resources, as evidenced by the steadiness of its deposits and its daily-increasing connections, is unabated, they feel warranted, guided by the light of past experience, in indulging anticipations of a favourable future.

The report was unanimously adopted, after a full explanation, from the chairman, of the circumstances attending an advance to Mr. Mooney, a late director, which appeared to give perfect satisfaction to the meeting.

THE LONDON AND COUNTY BANK

HAVE this year had no meeting of their proprietary for the Midsummer dividend, in consequence of the resolution adopted some time ago to have a meeting only once a year. They have, however, made up their accounts for the half-year, and declared the dividend to continue at the rate of 6 per cent. per annum.

Balance Sheet, from June 30th, 1848.

	£	s.	d.
Dr.—To capital	200,000	0	0
Reserved fund	26,600	10	11
Customers' balances, &c. .. .	1,295,691	7	9
Net profit for the half-year, after payment of 8,686 <i>l.</i> 10 <i>s.</i> 5 <i>d.</i> for interest to customers ..	8,824	9	11
	<u>£1,531,116</u>	<u>8</u>	<u>7</u>
Cr.—By cash in hand	£234,323	4	7
Securities, discounted bills, &c. .. .	1,248,507	4	11
Bank premises, freehold and leasehold ..	29,995	5	0
Preliminary expenses, expenses of establishing and purchasing branches	18,290	14	1
	<u>£1,531,116</u>	<u>8</u>	<u>7</u>

DR.—To half-year's dividend, at 6 per cent.	£6,018	0	0
Balance carried to profit and loss new account	2,806	9	11
	<u>£8,824</u>	<u>9</u>	<u>11</u>
CR.—By net profit for the half-year	<u>£8,824</u>	<u>9</u>	<u>11</u>

BANK OF BOMBAY.

THE following is the profit and loss account of this bank for the half-year ending the 30th of June last. A dividend of 8 per cent. per annum was declared on the paid-up capital.

By reserved surplus fund, 1st January, 1848	Rs. 56,431	11	7
By net profit of the half-year ending 30th June, 1848, after paying all current expenses of the bank	2,20,341	8	11
	<u>Rupees</u>	<u>2,76,773</u>	<u>4 6</u>
To six months' dividend on the capital stock, at the rate of 8 per cent. per annum	Rs. 2,09,000	0	0
Balance of reserved surplus fund	67,773	4	6
	<u>Rupees</u>	<u>2,76,773</u>	<u>4 6</u>

AGRA AND UNITED SERVICE BANK.

At the Half-yearly General Meeting of the Shareholders of the Agra and United Service Bank, held at the Bank House, Agra, on Monday, the 7th of February, 1848, the following report of the directors was read by the secretary :

We were unable to publish it when it was first received in this country ; but give it now for the purpose of reference. The subsequent Report we shall probably be able to publish in our next number.

"In again meeting the proprietary, the directors have much pleasure in stating, that the operations of the bank, for the six months ending 31st Dec., 1847, being the twenty-ninth half-yearly period of account, exhibit a net divisible surplus of rupees 4,52,369-6-8, equivalent to a return, on the paid-up stock of 13,555 shares, at the rate of Rs. 13-5-6 per cent. per annum, on Rs. 33-5-11 per share.

In this statement, the returns of the London office are not included, the accounts to the end of the past year not having been received ; but the directors are satisfied that there also the result will be favourable, fulfilling every expectation of economy and efficiency which was entertained from its establishment, and proving the advantage, in the increased magnitude of the Bank's affairs—and particularly in times like these—of directly responsible individual agency, for the purposes of communication with a numerous service constituency, and the care of the interests of the bank, as affected by the credit and circumstances of business connexions at home.

The Indian branches, under the careful superintendence of proprietary committees and local agents, have all, on this occasion, yielded improved results ; and the directors have much pleasure in returning, on behalf of the shareholders at large, their best thanks to the gentlemen to whom the conduct of their affairs in those parts has been entrusted, for their successful exertions.

With reference to the exchange transactions with England, which are

detailed in the papers on the table, the directors conceive that, although the security for such bills was, at the time of their purchase, in excess of the value drawn for, and although, for any deficiency, the bank would, to a great extent, rank as creditor against the estates of *both* drawer and acceptor, and thus no considerable loss need be anticipated, it will be but prudent to provide against the chances of diminished prices and the falling market, by limiting the present dividend to 10 per cent. per annum, or Rs. 25 per share, and carrying the surplus to credit of current profit-and-loss. Under this recommendation, and with reference to the third resolution of the last Half-Yearly General Meeting. Rs. 11,125 (being the dividend upon 445 shares additional to the actual paid-up capital of the bank) will be at once added to the reserve fund, the sum of Rs. 3,50,000 distributed as dividend, and Rs. 1,02,369-6-8 remain available for future purposes.

It has long been the wish of the directors to submit the half-yearly accounts of the bank to regular and careful audit, previous to presenting them for approval of the proprietary. The difficulty of obtaining the assistance of competent parties willing to undertake the task, which has hitherto prevented the accomplishment of that desirable object, has, on this occasion, the directors are happy to state, been overcome, and the accounts now rendered, after undergoing examination by two qualified and independent gentlemen, specially selected for the purpose, appear, under their countersignature, as clear and correct, and their separate report, in greater detail, is also submitted for the information of shareholders."

After the resolutions, in conformity with the suggestions in the Report, had been adopted, it was resolved unanimously,—

"1st. That the nomination by the directors, under date the 20th August last, of Mr. F. R. Neilson, the Calcutta agent of the bank, to succeed to the office of secretary on the departure from India of Captain R. G. MacGregor, to assume charge of his appointment as agent of the bank in London, be and the same is hereby approved and confirmed.

"2nd. That the proposed early retirement of Captain R. G. MacGregor from the office of Secretary to the Agra and United Service Bank, and his contemplated assumption of the duties of agent of the institution in London, to which he has been appointed, call for the expression of the sentiments of the general body of proprietors on his executive administration of the affairs of the bank during a period of eight years. They feel bound to declare their high opinion of the zeal, integrity, and unwearied assiduity, which has progressively, in that period, raised the bank from its limited sphere of private and public advantage and utility, to its present prosperity; and intimately persuaded that the same spirit, which has ever animated him in the exercise of his official duties, will continue to be exerted with unabated interest, in the new position for which he has been selected, for the benefit of the concern which owes so much to his exertions,—they hereby tender him their sincere thanks for his previous valuable services, and express the fullest confidence in his effective management of the new charge into which he is about to enter.

"3rd. That the secretary be requested to sit for his portrait, to be placed in the bank parlour; and that the sum of £500 be further placed at the disposal of Captain R. G. MacGregor for the purpose of purchasing such testimonial as he may himself approve, of the estimation in which he is held by the proprietary."

Statement of the Affairs of the Agra and United Service Bank, from 1st July to 31st December, 1847.

			Rs.	s.	p.	Rs.	s.	p.
To paid-up capital	67,77,500	0	0
Floating deposits	6,32,688	14 11			
Four per cent. deposits	1,04,006	1 9			

REPORTS OF JOINT STOCK BANKS.

71 0

Five per cent. deposits	..	..	7,21,850	10	1				
Six per cent. deposits	..	..	18,27,022	1	1	32,85,567	11	1	0
Bank of Bombay (their account)	..		13,624	15	5				
Oriental bank (ditto)	..		10,665	4	4				
Bank of Bengal Deposit Account	..		10,000	0	0				
Madras General Agency ditto	..		909	10	6				
Bombay and Calcutta Exchange do.	..		15,654	11	0				
Bombay and Madras Exchange do.	..		672	15	4				
United Service Life Insurance Company			32,840	5	3	84,367	13	10	
Premium on sale of governt. securities			7,263	0	0				
Suspense account	..	..	10,829	13	10				
Unclaimed balances	..	..	5,791	13	10				
Reserve fund	..	..	1,89,895	7	1	2,13,780	2	9	
Divisible balance	..					4,52,369	6	8	
<i>Credit Dependencies of Reserve Fund.</i>									
			Rs.	a.	p.				
Registrar Supreme Court	..		16,616	9	6				
Messrs. Fergusson Brothers & Co.			4,607	14	5				
Ground at Agra	..	..	5,078	9	9				
Total company's rupees	..	..	Rs.	1,08,13,585	3	1			
			Rs.	a.	p.	Rs.	a.	p.	
By cash balance (including bills and hoondies)	..	..	..	..	..	599,562	3	1	
Calcutta government paper	..		4,04,286	10	8				
Bombay ditto ditto	..		96,600	0	0				
Madras ditto ditto	..		54,065	0	0				
						5,54,951	10	8	
Loans	..	..	77,00,408	10	10				
Credits	..	..	4,43,307	2	1				
Bills discounted	..	..	5,38,505	4	8				
						86,82,221	1	7	
Calcutta General Agency	..	..	1,62,468	1	8				
Bombay ditto	..	..	9,788	7	8				
London General Agency	..	..	1,89,314	7	7				
Mirzapore ditto	..	..	4,700	3	9				
						3,66,271	4	8	
Mirzapore & Calcutta Exchange Acct.			29,866	1	0				
Madras and Calcutta ditto			10,822	8	10				
Calcutta and London ditto			49,506	5	3				
Madras and London ditto			35,426	4	8				
Bombay and London ditto			2,93,304	3	10				
						4,18,925	7	7	
Due by native agents	..	..	..	..	..	2,081	2	1	
Exchequer bill account	..	..	1,66,981	7	4				
London remittance account	..		4,607	14	5				
						1,71,589	5	9	
Salt Rowannah account	..	..	535	4	6				
House in cantonments	..	..	13,500	0	0				
Office furniture	..	..	3,947	11	2				
						17,982	15	8	
Total company's rupees	..	..	Rs.	1,08,13,585	3	1			

Abstract of Profit and Loss, from 1st July to 31st December, 1847.

						Rs.	a.	p.
To Establishment Expenses at Agra, Calcutta, Madras,								
Bombay, and Mirzapore	..	..	..	..	..	67,857	15	6
Charges general at ditto ditto ditto						17,928	15	6
Postage account at ditto ditto ditto						1,612	8	2
Interest on 4 per cent. deposits	1,803	13	2					
Ditto on 5 per cent. ditto	18,022	7	1					
Ditto on 6 per cent. ditto	34,030	5	4			53,856	9	7
						<u>1,41,256</u>	<u>0</u>	<u>9</u>
Divisible balance						4,52,369	6	8
Total Company's Rupees						<u>5,93,625</u>	<u>7</u>	<u>5</u>
By Head Office (including Reserve Profit and Loss of 30th								
June, 1847)						2,44,153	13	6
Calcutta Agency						1,47,108	14	8
Madras ditto						89,726	15	10
Bombay ditto						1,10,972	15	2
Mirzapore ditto						1,662	12	3
Total Company's Rupees						<u>5,93,625</u>	<u>7</u>	<u>5</u>

BANK OF CEYLON.

RETURN of the average amount of Liabilities and Assets of the Bank of Ceylon, Colombo, during the period from 1st January, to 31st December, 1847.—From the *London Gazette*.

LIABILITIES.

Promissory notes in circulation, not bearing interest ..	£17,047	0	0
Bills of exchange in circulation, not bearing interest ..	84	0	0
Bills and notes in circulation, bearing interest ..	Nil.		
Balance due to other banks	548	0	0
Cash deposited, not bearing interest	5,297	0	0
Cash deposited, bearing interest	25,236	0	0
Total average of liabilities	<u>£48,212</u>	<u>0</u>	<u>0</u>

ASSETS.

Coin and bullion	£36,226	0	0
Landed or other property of the Corporation	4,386	0	0
Government securities	Nil.		
Promissory notes or bills of other banks	Nil.		
Balances due from other banks	12,522	0	0
Notes and bills discounted, or other debts due to the corporation, not included under the foregoing heads, but exclusive of bills of exchange, purchased for remittance to England and the presidencies.. ..	123,563	0	0
Total average of assets	<u>£176,697</u>	<u>0</u>	<u>0</u>

THE WOLVERHAMPTON AND SOUTH STAFFORDSHIRE BANKING COMPANY.

At the Sixteenth Annual Meeting of this Company, the Report showed, that after deducting all current expenses and ascertained bad debts, a surplus profit of £9,683 3s. 3d. remained, being 19 per cent. on paid up capital. Of this sum £3,500 were appropriated to the payment of a half-yearly dividend of 7 per cent. on the 1st of September, and the directors recommended the payment, on the 1st of March next, of a further dividend of 10 per cent., both amounts without deduction of income tax. The statement of profits will then stand as follows:—

Balance of profit and loss on the 31st of December, 1846, exclusive of guarantee fund, of £25,000	..	..	..	£5,440	15	1
Net profits of the year 1847	..	..	..	9,683	3	3
				£15,123	18	4
Deduct dividends and income tax	..	..	..	8,645	16	8
Balance in hand of profit and loss	..	..	..	6,478	1	8

The directors announce the resignation, by Mr. Hill, of the office of manager. They have appointed as his successor the present cashier, Mr. Josiah Wiley, of whose assiduity and steadiness they have had a long experience. The four retiring directors were Mr. Warner, Mr. Tarratt, Mr. Briscoe, and Mr. Elwell, all of whom were re-eligible. The report having been adopted unanimously, the chairman called upon Mr. Bennett, law clerk to the establishment, to read the heads of a supplementary deed of partnership, prepared in conformity with an intimation at a former meeting, and comprising the various alterations introduced from time to time, pursuant to the original deed. A discussion arose on a resolution to increase the number of shares allowed to be held by one party from two hundred to four hundred shares, which was ultimately modified to three hundred, and a special meeting appointed to ratify this and the other alterations. In passing a vote of thanks to the directors, manager, &c., a well deserved compliment was paid to Mr. Hill, who is now retiring from the management, after a successful connexion of nearly thirty-three years with the bank, during about half of which period he has held the very responsible office which he is now giving up.

UNION EXCHANGE COMPANY.

At the second Annual Meeting, held at Glasgow, the following Report was presented, which we omitted to notice in time, but now publish, as it is in many respects interesting.

The directors have pleasure in again meeting the shareholders, and submitting a statement of their affairs. The shareholders are aware that the past year has been one of almost unparalleled derangement in the commercial and monetary affairs of the country, and that property of every description has suffered an amount of depreciation which no one could well foresee, and against which no ordinary precaution could provide. During so trying a period the company protected its position through the surplus value of the securities held against the advances made. Nevertheless, in some securities, the difficulty of effecting sales was so great, that to have forced them would have been an unnecessary waste of property, in particular to customers, and even, in some cases, to the company. In consequence of this, where the securities were of an undoubted character, and were unduly depressed through

panic, the directors avoided so questionable an alternative as that of forcing sales; and they are glad to say the result has been satisfactory. In so acting, under the protection of good securities, yielding a large amount of dividend, the directors considered they were best consulting the real interests of the shareholders.

In certain cases, accounts have been closed, and the company protected from loss which otherwise might have occurred. The directors have minutely and carefully investigated every account and every security held, and it is with pleasure they state that the business of the society is extensive, safe, and profitable.

The directors have now to refer to the result of the year's business, and to congratulate shareholders in having come satisfactorily through a period of such extraordinary depression.

The net profit for the year ending 31st December, 1847, after deducting every
every expense, including management, rent, income tax, poor rates, &c.,
amounts to £24,564 8 1

From this there has been placed to the credit of suspense
account, the sum of 5,000 0 0

(An amount, in the unanimous opinion of the directors,
more than ample to protect the company from any
loss that may arise upon accounts not fully covered
by the present value of the securities.)

In accordance with the recommendation of the proprietors
at the last general meeting, "that the dividends be paid
half-yearly," the proprietors received a dividend for the
half-year ending 30th June, at the rate of $7\frac{1}{2}$ per cent.
per annum, free of income tax, payable on and after 1st
September last, amounting to 9,344 3 6

The directors now recommend that a similar dividend for the
half-year ending 31st December last, be paid on 1st
March next, free of income tax, amounting to 9,375 0 0

And that the balance of 845 4 7
be carried to the credit of the "rest," which will make the
sum at credit of that account £17,532 11 11 £24,564 8 1

The retiring electors were re-elected, and very flattering votes of thanks
were passed to the directors, and to Mr. James Brown, the manager, for their
attention to the interests of the company.

COLONIAL BANK.

ACCOUNT, shewing the whole amount of the debts and assets of the Colonial
Bank, at the close of the year 1847; and shewing also the amount of its notes
payable on demand, which had been in circulation during every month of that
year; together with the amount of specie, distinguishing each kind, and other
assets immediately available in every such Month, for the Discharge of such
notes. Published pursuant to Royal Charter of Incorporation. in the *London
Gazette*.

DEBTS.—Circulation, 997,086 dols. 40 cts.; Other Liabilities, 3,715,048 dols.
56 cts. Total Debts, 4,712,134 dols. 96 cts.

ASSETS.—Specie, 950,762 dols. 40 cts.; Other Assets, 5,817,774 dols. 42 cts.
Total Assets, 6,768,536 dols. 82 cts.

1847.	Circulation. <i>dols.</i>	Gold Coins. <i>dols.</i>	Silver Coins. <i>dols.</i>	Other Assets. <i>dols.</i>
January ..	1,048,994 ..	277,630 ..	913,080 ..	4,273,015
February ..	1,059,459 ..	503,960 ..	891,710 ..	4,347,060
March ..	1,144,768 ..	188,570 ..	893,670 ..	4,295,000
April ..	1,181,395 ..	163,990 ..	791,240 ..	3,982,880
May ..	1,146,508 ..	171,640 ..	667,700 ..	3,438,360
June ..	1,133,942 ..	180,903 ..	654,170 ..	3,170,966
July ..	1,066,201 ..	132,480 ..	624,640 ..	3,080,165
August ..	1,067,880 ..	108,090 ..	688,890 ..	3,227,495
September ..	1,176,317 ..	106,270 ..	648,570 ..	3,328,075
October ..	1,122,063 ..	77,210 ..	672,300 ..	3,434,240
November ..	1,081,693 ..	85,320 ..	574,720 ..	3,347,190
December ..	997,086 ..	119,543 ..	831,219 ..	3,131,641

THE ORIENTAL BANK.

At the annual general meeting of the Oriental Bank, held at the office of the Bank in Bombay, on the 22nd September last, the Chairman, having read the notice for calling the meeting, read the following report to the shareholders, on the part of the Indian Board of Directors:—

“1. It is not usual, nor has it hitherto been found necessary, for the members of this board, to make any statement, or to offer remarks on the affairs of the Bank, on such an occasion as the present; nor are they now prepared to lay before the shareholders more than an estimate of the probable loss sustained by the Bank during the unprecedented crisis that has lately passed over the commercial world, and which, added to the currency of rumours injurious to the interests of the Bank, must be the excuse of the board for stepping out of the ordinary course, instead of waiting for the adjustment of accounts in December next, as provided in the deed of settlement.

2. The board have had before them a full statement of the British bills held by the Bank, drawn or accepted by insolvent firms, and which are now in process of liquidation. They have also had, from the several branches, statements of local bad and doubtful debts (the result, in most cases, of the reaction, in India, of the great failures in England), and they find the total loss, from those statements (after deducting 22,000*l.*, held in reserve, from previous profits), to be three-and-a-half lacs of rupees, as nearly as can be ascertained, making a very full allowance in each case, and striking off as bad whatever sum there is any doubt of realizing. This loss results from transactions at Bombay, Calcutta, and Ceylon (none having occurred in China, Madras, or Singapore, according to the reports from those branches); and the proportion between the loss from British bills and local debts is, British bills three-sixths, and local debts five-sixths.

3. Under ordinary circumstances, the directors would not be justified in paying any dividend until this deficiency of three-and-a-half lacs was made good; but as the loss has resulted from commercial disasters of no ordinary character, and not likely to occur again, the board are of opinion that the amount should at once be charged to the reserved fund, and replaced by a deduction from current profit, say at the rate of one per cent. on the capital each year, but so as not to reduce the dividend, at any time, below six per cent. per annum, until the whole is cleared off.

4. The board are not yet prepared to make any advance on account of dividend for the half-year ending 1st of September, not having yet received the necessary data from all the branches, on which to form an opinion of the profits for that period; but they hope to do so in the course of a few days.

5. The progressive results of the past operations of the bank, from its commencement in 1845 (*vide* subjoined statement), afford sufficient evidence that they have been very beneficial to the shareholders, who have divided, during that time, no less a sum than rupees 21,49,726 7 9, beginning with 5 per cent. per annum, and gradually increasing to 9 on the 1st March last, besides a bonus of 2 per cent. on 1st of September, 1846.

Rs.	a.	p.			
45,307	10	7	at 5 per cent. interest, due up to	1st August, 1843.	
57,591	3	3	7	"	5th February, 1844.
73,558	0	0	7	"	5th August, 1844.
91,000	0	0	7	"	5th February, 1845.
1,59,072	4	2	8	"	5th August, 1845.
2,01,463	15	4	8	"	1st March, 1846.
2,79,695	0	0	8	"	1st September, 1846.
64,483	5	9	2 bonus	"	1st September, 1846.
3,69,535	8	0	8	interest due up to	1st March, 1847.
3,69,720	0	0	8	"	1st September, 1847.
4,38,300	9	0	7	"	1st March, 1848.

Rs. 21,49,726 7 9

6. The net profits for the two last years were not less than 10 per cent.; and but for the late crisis, from the effects of which the bank is now suffering, large surplus profits over dividend would now have been available as a bonus.

7. There is, therefore, every ground to congratulate the proprietors on the position of the bank and its future prospects, notwithstanding the disasters from which, in common with other similar institutions, it has suffered. The directors do not doubt that the increased precautionary and other beneficial measures which experience suggested, have placed the extensive and growing business of the bank now on a sound and safe footing.

8. It will be seen, by the new laws proposed last December, and confirmed by the shareholders, that some modifications in the provisions of the deed have been deemed requisite, and that proprietors can now pledge their shares to other parties, so as to be free from the lien of the bank, on giving due notice thereof and obtaining consent of the directors; and that they can have their shares registered as transferable, and dividend thereon payable, wherever there is an office of the bank.

9. The board have thought it expedient, in connection with the last-named provisions, to permit the conversion of Indian into English shares, on application from the owner, at 2s. per rupee, provided he is resident, or about to become resident, in Europe; and they conceive that this advantage will lead to the investment in shares of the bank by many parties who would be unwilling to have their property in India exposed to the uncertainty and trouble attendant on remittance of the dividend to England.

10. In conclusion, the board have to request the attention of shareholders to the business before the present meeting, which consists, first, in the election of three India directors in room of those who now retire; and second, in the consideration of five by-laws for further regulating the business of the bank, which the board have the pleasure to submit to their notice.

11. The members of the board who retire from office are W. Simson, Esq.; C. S. Dadabhoj Pestonjee, Esq.; and A. Smart, Esq.; and, being eligible, they again offer themselves to the shareholders as candidates for re-election.

The retiring directors were unanimously re-elected; and, after passing some resolutions for the regulation of the discount business of the bank in India, a vote of thanks was unanimously given to the Chairman (Gregor Grant, Esq.), and the meeting adjourned.

BANK OF NEW SOUTH WALES, SYDNEY.

Report of the Board of Directors for the half year ending 31st December, 1847.

In meeting the Proprietors on the present occasion, the board of directors have the greatest satisfaction in being able to present the very favourable statement of the affairs of the bank, exhibited in the balance sheet for the 31st of December, 1847.

The profit and loss account, after paying all expenses, presents a credit of £7,339 7s. 2d.—from which the board of directors recommend the payment of a dividend of 5 per cent. for the half year, leaving a surplus of £2,125 14s. 8d. to be carried to the reserve fund, which will thereby be increased to the sum of £35,212 13s. 7d.

Your directors have at the same time to congratulate the proprietors on the substantial and improving character of the securities held by the bank, the sufficiency of which, for the value they represent in the balance sheet, has been fully confirmed by the operations of the half year now terminated.

Your directors have recently opened an account with England, which promises at once to afford a safe and profitable investment, and to bring to the bank a considerable accession of business of a most desirable character.

Your directors, in company with the auditors appointed at last half yearly meeting, have counted the coin, and found it to be correct.

BANK OF NEW SOUTH WALES, 31st DECEMBER, 1847.

	£	s.	d.
<i>Dr.</i> Bank stock	104,272	10	0
Notes in circulation	33,821	0	0
Deposits	248,889	10	5
Ordinary reserve fund	11,792	4	3
Bad debt reserve fund	21,294	12	8
Profit and loss	7,339	7	2
	<u>£427,409</u>	<u>4</u>	<u>6</u>
<i>Cr.</i> Coin	£131,812	7	11
Landed property	10,576	3	11
Bills, mortgages, advances on wool, cash-credit, and other debts and securities	285,020	12	8
	<u>£427,409</u>	<u>4</u>	<u>6</u>

Reviews.

The Defects in the Practice of Life Assurance, and Suggestions for their Remedy. London: Orr & Co.

THIS publication raises a very important question connected with life assurance, which being once raised, will, we think, require a satisfactory answer from the public. It is—"Why should not a policy of assurance, after being once granted by a company, become a *perfect security* for the amount assured, instead of being, as it is now liable to be, set aside in a court of law on the most trivial grounds?" The writer shows, that scarcely one policy, in every hundred granted by assurance companies, could be enforced in a court of law; and he brings forward a variety of decided cases to prove, that the general belief that companies are unwilling to dispute policies is far from being correct. The work should be read by every one before effecting an assurance,

for the information contained in it is most valuable and important. The following extract on the nature of the contract entered into between the parties to a policy—the assurer and the assurance company—will sufficiently prove this. The author says:—

“By the policy, the assured undertakes to pay the premium regularly, and the company to pay the stipulated sum, three months after the death of the assured; provided, that ‘every statement, declaration, and all testimonials and documents addressed to, or deposited with the company in relation to the assurance, shall be found to be in all respects true.’ It is further declared that these statements shall be held as *warranted*, and taken as the basis of the contract, and that the policy shall be void, if any ‘important information’ has been omitted.

“The effect of these clauses, and the important consequences resulting from them, have been determined by decisions of the courts of law; and it is now settled, as we shall show by references to decided cases, institutional writers, and authors of repute, that if in the statements referred to, and which are declared to be the basis of the contract, and to form matters of warranty, any fact, whether material or immaterial, has been erroneously stated, whether intentional or not,—or if any information considered important has been omitted to be communicated, although the party applied to for information did not consider the omitted fact to be of the slightest importance,—*the policy is void, and all premiums paid become forfeited to the company.* We shall find that it is not enough that the written proposal and declaration, made by the assured, are unobjectionable. The friend’s report and that of the medical referee, and all statements made by the person whose life is the subject of assurance, are regarded in the eye of law, as statements of the assured party although he neither wrote them nor had an opportunity of seeing them. The policy is so prepared, that the assured enters into a positive engagement, that all these statements are, in point of fact, strictly and literally true, whether he was aware of them or not. Such an engagement, being in legal language a *warranty*; and the effect of a warranty being to render the facts alleged in it, a conditional precedent of the assurer’s responsibility, it follows that the obligation undertaken by the office, is only effectual, ‘if,’ and ‘in the event that,’ each of the many statements, whether material or of no importance, is *literally* as it has been represented.”

The National Distress; its Financial Origin and Remedy. London: Longman & Co.

THIS is an elaborate essay on the evils attending our present system of currency, with suggestions for a modification of the existing currency standard and basis; for maintaining a moderate rate of interest, and, at the same time, providing for a domestic stock of bullion sufficient to meet any sudden demand for specie to export, in consequence of a failure of the harvest, &c. It will be seen from this brief analysis of the work, that the author enters fully on the *vezata questio* of the present day; and we must add, that he displays skill and earnestness in the manner in which he discusses it. The principle of his remedy for the acknowledged evils of the present system, will be found in the following proposition:—

“It is proposed to take, as the standard, the money value of the present gold currency, or its average rate of interest; such being, as we have shown, the measure of its true value—the sole source of its monetary power; and being, therefore, the practical standard of value in the currency, as it has been shown to be the standard of value in property generally considered.

“The value of property—of consols, railway stocks, a farm, &c., we have seen, is measured for the purchaser by these two elements; namely, the annual net return of the property and the rate of interest together; yet both of these,

it will be observed, are of the most fluctuating character. The purchaser must therefore reduce them, by some process, to fixed amounts; otherwise his calculation of advantage from the investment must be baseless. The process by which these postulates are obtained from such uncertain elements, is simply that of taking, in both cases, for a sufficient term of years, the average return and the average rate of interest together. This gives to the calculation the needful certainty; and the average rate of interest is thus ascertained to be practically the value of money, or its purchasing power with reference to all property; of which it is equally the measure of value and the sole medium of transfer.

"Now, were the practical value of money so ascertained, and were the currency, by any sufficient process, to be upheld permanently thereat; the value or purchasing power of £100 of money (and this, as has been shown, quite irrespective of its basis) would, upon the whole, be found to be neither greater nor less than its true value under the present system; but all other commodities, of which it constituted the measure of value, instead of fluctuating so widely with the present extreme variations of the rate of interest, would then remain, apart from the influence of relative supply and demand, at the true average of their present value also. The effect of this would be, therefore, to place the merchant, in a most essential respect, upon a par with the capitalist investing in fixed property: for the merchant who invests for a few months only, equally with the capitalist who so invests his money for an indefinite term of years, would then have the value of money as a fixed element of calculation also. The merchant would not then, as now—having purchased his floating stock when interest was at three per cent—be obliged to sell, in three months or less afterwards, at a ruinous depreciation: the consequence of the sudden advance of interest to twelve per cent."

For a description of the mode by which he proposes to carry this system into effect, we must refer to the work itself; as the plan includes a variety of radical alterations in our monetary system, which cannot be briefly explained. The chief of these is, "a re-constitution of the Bank of England," or rather, the formation of a new Bank of Issue under the direction of a board of officers appointed by the legislature, who, however, are not to take away from the Bank of England its present privileges as receiver of the public revenue and government bank, nor to interfere, in any manner, with the general business of bankers. One of their chief duties will be, to notify publicly the prices at which the Bank is receiving and paying away bullion, and the following is given by the author as "a fixed scale of national prices for gold and silver," which might be adopted in carrying out the plan suggested in the foregoing extract.

So long as the aggregate stock of gold and silver coin and bullion in the proposed Bank of Issue (taking either the actual or the average stock during a week, a month, or longer, as may be preferred), shall be

Over £11,000,000 and under £15,000,000	
" 10,000,000 "	11,000,000
" 9,000,000 "	10,000,000
" 8,000,000 "	9,000,000
" 7,000,000 "	8,000,000
" 6,000,000 "	7,000,000
" 5,000,000 "	6,000,000

Every 100 Sovereigns of the present standard (or silver in proportion) shall be equivalent to

£100 of the National Currency.	
101	" "
103	" "
106	" "
112	" "
124	" "
136	" "

The above scale (commencing with a wide *par* margin) is intended to show how efficacious the *principle* can be rendered in creating a premium to any extent to induce the reflux of coin to the Bank; and yet without depreciating

the national currency with reference to its standard value: which is the national security for its being maintained *permanently* of the value of 3 per cent. per annum.

1. *Home at Sea, or the Emigrant instructed in preparing for his Voyage.* By J. Dacres Devlin. London: Effingham Wilson.
2. *The Colonization Circular*, issued by Her Majesty's Colonial Land and Emigration Commissioners. London: sold by J. Cross & Son, 18, Holborn.

At a time when emigration is receiving so much encouragement from those who see the necessity of reducing the number of applicants on the labour-market at home, it may be useful to direct the attention of our readers to the above works. Country bankers are frequently applied to by their poorer neighbours for assistance and advice respecting emigration; and the publications above described will give all the information desired. They are published at merely *twopence* each, and are most valuable works for the poorer classes. The '*Home at Sea*' describes what a working man must procure to make a voyage comparatively comfortable; and the official *Colonization Circular* gives the latest and most authentic information respecting the rate of wages and price of provisions, &c., in all our colonies. Those who can present or recommend the two pamphlets to poor people about to emigrate, will render the emigrants an essential service.

The Rights of Property. By Adolphe Thiers. London: Groombridge and Sons.

THIS is an elementary work on political economy written by Monsieur Thiers, the statesman, for the instruction of the French people, who having abolished political economy as a science in their academy, require, he thinks, to have its plainest elements brought before them for their instruction. The immediate object of the work is to combat the doctrines of the Communists and Socialists of France, with regard to the Rights of Property. They contend that the existing rights incompatible with the happiness of "society;" he, on the other hand, shows that the system propounded by them would lead to far greater evils than those now endured; and if he does not succeed in proving the absolute excellence of his own principles, he completely exposes the fallacy of theirs. The Communists—and they form now no inconsiderable portion of the whole of French society—desire to do away with the right of personal property, so far as regards its transmission from parent to child; and they wish to make the wealth of the community a common property, and "organize labour," so that the produce of the working population should be realized for the benefit of the whole community. However desirable it may be to do away with poverty and pauperism, *this* is not the way to effect it; and Monsieur Thiers shows clearly enough, that the organization of labour would prove a robbery of the industrious and skilful man for the benefit of the idle and the ignorant; or rather that it would paralyze every motive for industrious exertion and end in universal pauperism and misery.

The Essay, in compliance with the desire of the author, is published at so low a price that it is within the reach of all; and it is worthy of perusal by every one who takes an interest in the momentous events which are now taking place on the continent.

As a specimen of the manner in which the book is written, and of the excellence of the translation, we may quote the following passage, in which the author ridicules the idea of "a community" of working men undertaking an important business without capital, and shows the impossibility of any bank offering assistance for such an enterprise. He says,—

“Capital, in every undertaking, is doomed to periah if it does not succeed. Whether it be a coal mine, canal, or railway; if the coal be not of good quality, if it is not worked at a low rate, if there be no outlet near at hand,—if the canal or railway present too great difficulties in the construction, if they run through a district where they are not much used,—neither mine, nor canal, nor railway will return the expected profit, often they will not pay the debt contracted for the execution of insufficient estimates; the enterprise will slip from the hands of those who had projected it, leaving them nothing but losses and regret. Is this a very rare case? Quite the contrary, it is a very common case. If, from these great enterprises, we descend to smaller ones, such as cotton-mills and foundries, how many are there among those who first established them that have made fortunes? Very few. These thirty years past, I have carefully watched the progress of manufactures in France, from duty as a public man, from taste as an observer; I know its condition very well, and I affirm, that failure is more common than success; that if a great number of moderate fortunes have been made, there have been very few large ones—very few, indeed, that can, with certainty, bear up against a severe crisis. Capital is, therefore, devoted to frequent ruin in the little enterprises which an individual can direct, such as a cotton-mill or a foundry; and to a ruin very probable, in the vast enterprises which require numerous and rich companies, such as mines, canals, or railways. Those which eventually prosper, only do so after having successively ruined two or three companies. Were I to name the principal establishments in France, I should, on that point, soon silence all contradiction.

“But you would put the workmen in their place; be it so: who will provide the capital? The workmen? They have none. It must then be loan banks, organized for the purpose. But all those banks which have made loans to manufacturing undertakings, instead of limiting their operations to discounting bills, which constitutes a loan restricted to a short term, frequently renewed, and the risks of which are neutralized by being divided—all these banks have failed, because manufacturing speculations present too many risks; because the number of those which succeed is too inconsiderable in proportion to those which fail; and, lastly, because, at most, the profits of those which succeed barely compensate for the losses of those which fail, and because, by lending to them, the bank shares in all their losses, without sharing in their profits also. This explains why every bank which confines itself to discounting succeeds, whilst every other, which makes loans to industrial enterprises, fails at the first serious crisis or panic. And yet the banks that have acted thus, have made loans representing a very small portion of the capital of the speculation they were willing to support. Can we imagine what would become of a bank that should furnish the entire capital of a greater or less number of these manufacturing undertakings? It would soon fail, unless it found money for very good speculations only, and received the whole of the profits; for, being exposed to suffer the whole loss—being, by the loan of the whole capital, the contractor himself, the management of the enterprise alone excepted, it ought to have all the chances of gain, or it would accept a ruinous part. It might be otherwise, if we supposed that the industrial profits were such as to furnish the means of remunerating two capitals instead of one; but this is absurd, for if there were profits for more than one capital, rivalry and opposition would soon bring them down. Wherever there is an extraordinary profit to be gained, by forging iron, spinning cotton, or extracting sugar from beet-root, capitalists catch at it eagerly, and found numerous establishments, thus lowering prices, and often falling themselves beneath these falling prices; but they never abandon the game until there are no means left of covering the expenses.

“If I selected as an example the mines of Aveyron, Alais, Saint Etienne,

Creusot, and Anzin, the most celebrated of all, and, taking into account the capital sunk during the last fifty years, endeavoured to fix the average profits, I should not find a return of 4 per cent. for the capital employed. And these are the greatest, the soundest of all the establishments of this kind. Those who are ignorant of the facts, who construct theories, and do not commence by observing the nature of things, will cry out, perhaps, at this assertion; but it will astonish none but the ignorant and the Utopians.

"Thus, I hold it to be certain, considering industrial occupations in the mass, not in this or that lucky accident, that there is not a profit sufficient for two capitals. We cannot, then, form any idea of a lending bank which would provide the entire capital for industrial associations, and which would not be substituted for these enterprises, as regards profit and management. Either it must have the management, since it has provided the capital, and receive all the profits, as these are never too great; or else it would be ruined by the double fact of intrusting its capital to others, who would speculate with its money, and receive only a part of the profits which would come to it of right. It is even certain that it would be ruined; for the simple fact of providing the requisite funds is reasonable only exceptionally, on the part of a very rich capitalist, who does not fear to lose, in favour of an individual of great capacity well known to the lender; and as this double case is very rare, this kind of sleeping partnership as often turns out ill as well. But should this sleeping partnership, this *commandite*, be admissible exceptionally, we cannot understand it as a general fact of industrial occupations, that is, a bank which should provide the capital for every enterprise, which ran the whole risk, and which neither had the control of the speculation nor the entire profits derivable from it. If the banks which have made only partial loans to industrial enterprises have failed, can we form any idea of a bank that would furnish capital to the majority of these speculations?

"This bank would be a madhouse, directed by madmen; and I challenge any man to propose one founded on this principle."

Composition and Punctuation familiarly explained for the Use of those who have Neglected the Study of Grammar. By Justin Brennan. London: Effingham Wilson. Sixth edition.

THE object of this work is thus described by the author:—

"My object is, to instruct those who know how to read and write, but who are unacquainted with grammar. I propose, questionable as it may appear, to show such persons how they may compose sentences, of which they may not, at least, be ashamed, and how they may express meaning intelligibly, without exciting a laugh at their expense.

"Such is the task that I have undertaken. There are many thousands, who, though very intelligent and witty, believe grammar to be so uncommonly difficult, that they will make no attempt to learn what they feel is beyond their attainment. They say, 'that all the world could not beat grammar into their heads; that they had, when at school, learned verbs, participles, and the other parts of speech, but that they never did, nor never could, understand them.'

"When men take up such notions, it is not easy to seduce them into study. They are then afraid to write, because they are terrified about all that they hear of grammatical errors. They think that composition, without grammar, must be an absurd attempt; and thus we are, to my own knowledge, deprived of many useful essays—nay, even of books. Several of those individuals who shine in conversation by the originality and brilliancy, and the weight and accuracy, of their observations, are afraid to touch a pen, through a fear of the alarming requisites that composition demands.

"Now, if we cannot prevail on such persons to study grammar, would it not be a meritorious attempt to induce some of them to commit their thoughts to paper? The gratification of seeing themselves in print might inspire confidence, and arm them with fortitude to combat their ill-founded apprehensions—to look that science in the face which appears so appalling. If ever this were desirable, it is now, when we have grammars so simplified compared with those, out of which they vainly strove to learn, in their younger days.

"The failure of such persons arises from three causes:—1st. Their over anxiety to express themselves clearly, and to include all possible contingencies and exceptions, before they finish a sentence. 2ndly. Their fear of repetitions of the same word. 3dly. Their not duly considering the previous part of a sentence, which often produces ludicrous errors, such as making a horse or a house appear to do the business of a man. To these I might add a fourth,—their terror of punctuation, which seems to present insurmountable difficulties.

"I propose to explain, chiefly by examples, these three causes of failure, and to show the illiterate how they may easily punctuate their writings. If any of the learned happen to take up my book, I request that they will recollect, that it is not addressed to them. It has little to say to scholars or men of education; for, though they may occasionally find some hints not beneath their consideration, its chief pretension is, to instruct those who have not the advantage of grammatical knowledge."

This book has now been published some years, and is, perhaps, known to many of our readers: but for the benefit of those who, being young, require instruction in the important art of literary composition—for those who wish to learn how to express themselves intelligibly—how to write a good letter—and how to lay the foundation for certain advancement in life,—for each and all of these we thus bring the work under notice. It is an excellent treatise. We speak of it from familiar acquaintance with it, and we know of no other work which we would sooner recommend to a young man who wishes to learn how to write well and intelligibly. '*Cobbett's Grammar*' of the English language, and this book would enable any one, with very little study, to master all the difficulties of composition. The rule which Mr. Brennan lays down for the guidance of those he wishes to instruct, is, "*Write short sentences.*" A person who adopts this rule can hardly be unintelligible; and, in business writings, clearness is a quality of first-rate excellence.

Mr. Wilson has done a service to a large class of young men, by publishing a new edition of this work at a very low price. We have no doubt it will be a treatise always in request.

COMMERCIAL WORKS ANNOUNCED.

"*Letters on the Theory of Probabilities applied to the Political and Moral Sciences.*" By M. A. Quetelet. Translated from the French by Mr. G. C. Downes.

A new Work by Mr. Evans, the author of the very interesting work published some time since under the title of "*The City*," is announced for publication. It is to be a complete history of the important commercial events connected with the panic of 1847 and the French Revolution of 1848.

Notes of the Month.

THE LONDON AND COUNTY BANK, on the retirement of Mr. Emanuel Cooper from the direction, have elected Mr. John Sadleir, M.P., as the chairman of the Board. The long experience of this gentleman in banking affairs, and his high reputation, render this change an important one for the establishment, and very satisfactory to the proprietors.

PROPOSED NEW LONDON BANK.—Some notices have appeared during the past month in the daily papers, with reference to a new London Joint Stock Bank, which is shortly, it is said, to be brought before the public. Mr. McGregor, late of the Board of Trade, is stated to have taken the chair at the preliminary meetings. The Bank is to be on the Scotch system; to allow interest on deposits; and to confine itself chiefly to the class of business now transacted in Scotland by the *Exchange Banks*. Such is stated as its leading principles; but as the matter has not been officially announced, we can only give the information in an unauthorized form.

WEDGWOOD'S CLIP DESK.—COMPANION TO WEDGWOOD'S PATENT MANIFOLD WRITER.—(Registered under the Act for the Protection of Articles of Utility. By Ralph Wedgwood, of Rathbone-place and Lombard-street, London.)—The '*Mechanic's Magazine*' notices a very useful appendage to that well-known and valuable invention, "*Wedgwood's Patent Manifold Writer*."—Of the great utility of that apparatus it is now superfluous to speak, and it is indeed impossible to speak too highly, saving as it does so much labour and time in copying letters, and producing with so much accuracy, dispatch, and secrecy, not only the copy of a letter, but as many as eight duplicates, or rather fac-similes, at one operation—an effect that can be produced by no other machine that we know of. One thing it did want to make it perfect (not in principle, but in application), namely, some means of holding down the leaves while the machine was in use; and this Mr. Wedgwood has now supplied in the "*Clip Desk*." With this addition, Wedgwood's "*Manifold Writer*" leaves nothing more to be desired. Mr. Wedgwood has also greatly improved the materials used with his desk. His carbonic paper, as it is now manufactured, is of a much finer and blacker appearance than any we have seen before. His copying paper, too, is beautifully white and transparent, and at the same time wholly free from smell. Both materials have the reputation—well deserved, we believe—of retaining their good qualities for any length of time, and in all climates. Sir Edward Parry used them with immense advantage in his arctic voyage. While all liquid inks became congealed and utterly useless to him, the Wedgwood machine and papers continued as serviceable as ever.

THE BANDON SAVINGS' BANK, which suspended payments some time since has resumed, and is now paying off its depositors in full, preparatory to finally closing the bank.

THE NEWCASTLE, SHIELDS, AND SUNDERLAND UNION BANKING COMPANY have resumed business at *North and South Shields* and *Berwick*, under very favourable circumstances; and it is fully expected that in a short time the bank will be able to overcome all the difficulties in which it was involved by the late panic.

SHEFFIELD AND RETFORD BANK.—No small degree of disappointment exists amongst the proprietary in this unfortunate concern at the present aspect of its affairs, necessitating, as they do, a call of 5*l.* per share before the wind-up can be effected. During the present fearful commercial depression this is a very serious matter for all concerned, and there are not a few in this town upon whom, it is to be feared, the effect will be most disastrous. According to the official return, published in February last, the shares are in the hands of 73 parties, 45 of whom reside in Sheffield.—*Sheffield Times*.

Monetary Intelligence.

REVIEW OF THE MONEY MARKET FOR THE MONTH OF NOVEMBER, 1848.

THE very important news from Germany which, in combination with the rapid fall in the price of shares, were the predominant events during the month of October, have exercised little influence during the last four weeks. The Stock Exchange, and the general market for capital, has, in truth, been scarcely at all interfered with by any unusual circumstance. In the case of the first, the tendency of the funds has been towards a higher value; and, as concerns the second, there has been a still further addition to the difficulty experienced, since the middle of summer, in the employment of floating balances.

The advance in the price of the funds, in the presence of such a state of things, internally, aided by extensive investments on behalf of persons of substance upon the Continent, can excite no surprise. In the one case, the desire of money-dealers to find more useful application for their cash; and, in the other, the natural anxiety of the holders of property to place it beyond the reach of confiscation or pillage, furnish motives sufficiently powerful to raise up a large temporary demand for the securities of the British Government. It must still, however, be borne in mind, that every enhancement of price, arising from these causes, is exposed to very sudden and most serious interruption. At this moment, there is, in immediate prospect, the election of the French President; and it will be a most remarkable, as well as a most fortunate circumstance, if that event takes place without producing an important change, one way or the other, upon the Stock Exchange.

The price of Railway Shares, when we last wrote, had reached its lowest point. Ever since the issue of our last number, there has been a decided improvement in the market, founded upon the satisfactory official expositions either issued or promised by the leading companies. Speaking generally, we see no reason to criticise the interpretation placed upon these explanatory documents. With prudent and vigilant superintendence, we do not doubt that the great trunk lines will be able to maintain a dividend of five or six per cent., and it is not at all improbable, when the experience and the lapse of a few years have fully developed the resources of the poorer branch lines—lines, which for a time, at least, must form an incubus more or less oppressive upon the parent concern—that even a dividend of six per cent. may be permanently exceeded. A contingency of this kind should not be overlooked by an active man in search of a safe and profitable resting-place for his money. And, at least, there can be no temerity in the opinion, that after recent events, and in the presence of our present knowledge, it will require some extraordinary conjuncture of causes to produce any severe and lasting depreciation in the prices now current for first class shares.

The following short table will continue our usual epitome of variations in the market:—

	20th Oct. 1848.	3rd Nov. 1848.	24th Nov. 1848.
Eastern Counties	12	13½	11½
Great North of England ..	222	222	223
Great Western	73	80	78
Hull and Selby	94	95	96
Lancashire and Yorkshire..	53	60	61
Brighton	25	30	28
London and North Western	101	120	117
London and South Western	37	42	38
Midland	73	83	80
York and North Midland..	48	50	48

STATE OF TRADE.

We expressed in our last Review, very serious misgivings as to the correctness of those accounts from the manufacturing districts, which represented the state of trade to be exceedingly unfavourable. The decided improvement, which by general admission, has taken place in the markets of Lancashire during the present month, would seem to afford some proof that our doubts had a just foundation. Even the most desponding of the Manchester Circulars, confesses in its last issue, that there is a brisk and profitable business at present in progress for the Levant, and for the East; and generally, that the demand for the Continent is large and active. We receive the same intelligence from the West of Yorkshire. There have been periods, we are quite aware, when the manufacturers, in their own phrase, were "going faster;" but we see no reason to suppose that their present condition can be justly described by any of the phrases which are commonly applied to a dependant and distressed state of things. The weekly police return of the employment at Manchester, has been discontinued; we are unable, therefore, to continue the useful and interesting statistics we have hitherto given.

THE CORN TRADE.

The *Gazette* averages for England and Wales have been :—

The Quarterly averages for England and Wales have been:—										Corresponding	
Weeks ended, 1848.		Qrs. sold.		Weekly average.		Six Weeks' average.		Duty.		Six Weeks Last Year.	
				s.	d.	s.	d.	s.	d.	s.	d.
Oct.	14	..	106,857	..	51 11	..	53 4	..	4 0	..	53 3
"	21	..	102,264	..	51 7	..	52 5	..	5 0	..	53 10
"	28	..	91,709	..	51 0	..	52 0	..	5 0	..	54 7
Nov.	4	..	97,245	..	51 2	..	51 10	..	6 0	..	54 4
"	11	..	109,149	..	52 0	..	51 8	..	6 0	..	53 10
"	18	..	96,886	..	52 3	..	51 8	..	6 0	..	53 10

It is manifest from these figures that hitherto the presumed deficiency in our domestic supplies of grain has not produced any violent effect upon the value of the article. And if to the returns of the inspectors we subjoin the official account of the importations, we shall probably obtain some insight into the causes of the inactivity which has prevailed in the trade.

The following have been the entries from foreign and colonial sources (in quarters) of grain and meal during the—

	Wheat.	Other Grain.	Total.
Five weeks ended 11th Oct., 1848 ..	416,035	483,484	897,519
Five weeks ended 15th Nov., 1848 ..	431,960	378,373	810,333
	847,995	861,857	1,707,852

Now referring to the same period of 1847, the entries were

	Wheat.	Other grain.	Total.
Five weeks ended 6th Oct., 1847	866,278	723,462	1,589,740
Five weeks ended 17th Nov., 1847 ..	569,943	336,241	896,184
	1,436,221	1,059,703	2,485,924

The comparison, therefore, shows that the importations of *this* year are, so far, about a *third* less than the importations of *last* year.

The average cost of the 1,707,852 quarters imported since the 6th Sept., 1848, cannot be reckoned at less than 40s. per quarter, or, in round figures, 3½ millions.

In the face of these very liberal foreign supplies, a comparatively moderate delivery from the farmers has been sufficient to prevent any increase in the market value. For the moment the impression is, undoubtedly, that the influence of the unfavourable weather in the summer has been overrated, and that by

the aid of very reasonable prices, we shall be able to reach the harvest of 1849. We have never considered that the occurrence of a high price was very probable, but we have uniformly expressed our apprehension, that at some period or other before July 1849, we should find ourselves in want of extensive foreign additions to our domestic resources. We see no reason to modify this opinion. We cannot learn that the process of thrashing has in any way removed the unfavourable opinions, formed in September, of the deficient character of this year's crop of wheat and rye, and some other sorts of field corn. And although it is probable that a tinge of exaggeration has been imparted to the accounts of the destruction of the potato crop, we must not fall into the error of concluding that the evil has ceased to exist, because men's familiarity with it has led them to urge it less earnestly upon the attention of other people.

BANK OF ENGLAND.

The Bank's returns have been:—

		LIABILITIES.					
Date.	Circulation.	Public	Private	Total	Rest.	Total	
1848.		Deposits.	Deposits.	Deposits.		Liabilities.	
Oct. 21	19.64 ..	3.16 ..	10.66 ..	13.82 ..	3.38 ..	36.85	
„ 28	19.63 ..	2.62 ..	10.92 ..	13.54 ..	3.39 ..	36.56	
Nov. 4	19.60 ..	2.61 ..	10.79 ..	13.40 ..	3.41 ..	36.43	
„ 11	19.11 ..	4.04 ..	10.65 ..	14.69 ..	3.42 ..	37.21	
„ 18	18.88 ..	5.15 ..	10.01 ..	15.16 ..	3.42 ..	37.46	

		ASSETS.					
Date.	Public	Private	Bullion in	Bullion in	Total	Total	
1848.	Securities.	Securities.	Banking De-	Issue De-	Bullion.	Assets.	
Oct. 21	13.40 ..	10.29 ..	8.60 ..	4.56 ..	13.16 ..	36.86	
„ 28	12.95 ..	10.33 ..	8.68 ..	4.59 ..	13.27 ..	36.56	
Nov. 4	12.77 ..	10.25 ..	8.85 ..	4.56 ..	13.41 ..	36.43	
„ 11	13.33 ..	10.20 ..	9.61 ..	4.07 ..	13.68 ..	37.21	
„ 18	13.33 ..	10.21 ..	10.07 ..	3.85 ..	13.92 ..	37.46	

On the 2nd November, the Bank Directors reduced their *minimum* rate from $3\frac{1}{2}$ to 3 per cent. per annum;—it is said not without considerable opposition from an important and intelligent minority of the court, who strongly deprecated any change under existing circumstances. With this minority we have no hesitation in saying that our own opinions entirely coincide. It seems to us that the alteration of the rate to 3 per cent. is precisely one of those unfortunate measures against which there exists the conclusive objection, that while it cannot possibly do good, it may very possibly do harm. It cannot do good to the Bank, because the market rate was already much less than 3 per cent, and the change in the Bank terms had simply the effect of still further cheapening the rates in Lombard street, without attracting a single additional transaction to the discount counter of the Bank of England. In truth, the private securities have fallen off since the 2nd November, from £10,250,000 to £10,210,000. It was calculated to do harm, because as far as it went, it tended to dissipate the bank's resources at a critical moment, and because it kept alive that prejudicial practice of frequently shifting the official rate of interest, and that still more prejudicial rule of bringing the national bank into constant competition with the ordinary dealers in money.

The brokers have been quite full of cash during the greater part of the month, and for lodgements at "call" they do not give more than 2 per cent. There is a lack, also, of eligible commercial bills; and even yet, considerable distrust of much of the inland trade paper. For prime signatures, the rates may be called $2\frac{1}{2}$ to $2\frac{3}{4}$ per cent. for three months' bills.

THE ENGLISH FUNDS.—Daily Prices from 28th October, 1848, to 24th November, 1848, inclusive.

	28	30	31	1	2	3	4	6	7	8	9	10	11	13	14	15	16	17	18	20	21	22	23	24
Bank Stock (div. 9 per Ct.)	187½	186	187		180½	100	100	180					188	83½	180	188	188	188			180	180½	188	180
3 per Ct. Red. Ann.	84½	84	85		85½	85½	85½	84½					85	85½	85	85	85½	85½			85½	86½	86½	86½
3 per cent. Consol. Ann.	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
3 per cent. Ann. 1726	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
3 per cent. Ann.	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
New 3 per cent. Ann.	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
Long Ann. Jan. 5, 1860	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
Ditto 30 years, Oct. 10, 1859	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
Ditto 30 years, Jan. 5, 1860	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
Ditto 30 years, Jan. 5, 1860	85½	85½	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
India Stock (div. 104 per cent.)	234	234	234		234	236	236	236					236	236	236	236	236	236			236	236	236	234
Ditto Bonds £1000 (div. 44 p. c.)	43p	43p	43p		43p	44p	44p	44p					43p	43p	43p	43p	43p	43p			43p	44p	44p	43p
Ditto, under £1000	43p	43p	43p		43p	44p	44p	44p					43p	43p	43p	43p	43p	43p			43p	44p	44p	43p
South Sea Stock (div. 3 p. c.)	93½																							
Do. Old Ann. (div. 3 p. c.)																								
Do. new Ann. (div. 3 p. c.)																								
3 per cent. Ann. 1731 do.																								
Bank Stock for acct. May 9																								
3 p. Cent. Cons. for op. July 14	86	86	86		86½	86½	86½	86½					86½	86½	86½	86½	86½	86½			86½	87½	87½	87½
India Stock for op. July 14																								
Ex. Bills £1000, 2d.	44p				43p	43p	43p	43p					43p	43p	43p	43p	43p	43p			43p	44p	44p	43p
Ditto. £500 do.	44p				43p	43p	43p	43p					43p	43p	43p	43p	43p	43p			43p	44p	44p	43p
Ditto. Small do.	46p				45p	45p	45p	45p					45p	45p	45p	45p	45p	45p			45p	46p	46p	45p
Ditto. Advertised																								

HOLIDAY.

JOINT STOCK BANKS.

	Latest Price.
Australasia	£14½
British North American	£40 ab., 38½
Commercial of London	50
London and Westminster	100
London, New	100
London Joint Stock	7 0
Provincial of Ireland	10 0
Ditto, New	10 0
Madras of Ireland	25 0
Provincial of England	25 10
Ditto, N. Australia	35 0
Union of Australia	10 0
Western of Australia	10 0
Colonial	10 0

FOREIGN STOCKS (Latest Prices).

Austrian Bonds, 5 per Cent.	—
Belgian Bonds, 4½ per Cent.	—
Brazilian Bonds, 5 per Cent.	73½
Buenos Ayres Bonds, 6 per Cent.	—
Cuba Bonds, 6 per Cent.	—
Chilian Bonds, 6 per Cent.	84½
Columbian Bonds, Deferred, 6 per Cent.	—
Danish 3 per Cent.	—
Greek Bonds 1834—35, 5 per Cent.	—
Granada	13½
Mexican 5 per Cent., 1840.	—
Peruvian Bonds, 4 per Cent.	34½
Portuguese Bonds, 4 per Cent.	23½
Russian Bonds, 1822, 5 per Cent. in £ Ster.	100
Spanish Bonds 5 per C. div. from Nov. 1840	13
Ditto, Passive Bonds	3
Ditto, Deferred	—
Ditto, 3 per Cent. Spanish Bonds	25
Ditto, 3 per Cent. Venezuela Bonds	—
Dividends on the above payable in London.	—
Dutch 2½ per Cent.	47½
Ditto 3 per Cent. Loan	73
French 5 per Cent., at Paris Nov. 2nd, 64½—e.	—
Ditto 3 per Cent., ditto	411.500

Bank of England Weekly Returns.

Account, pursuant to the Act 7th and 8th of Victoria, cap. 32, for the Weeks ending as follows.

ISSUE DEPARTMENT.

	1848. Oct. 28th.	1848. Nov. 4th.	1848. Nov. 11th.	1848. Nov. 18th.
Notes issued.....	£ 26,608,155	£ 26,796,660	£ 26,961,205	£ 27,198,835
Government debt.....	11,015,100	11,015,100	11,015,100	11,015,100
Other securities.....	2,984,900	2,984,908	2,984,900	2,984,900
Gold coin and bullion.....	12,100,246	12,288,751	12,453,296	12,690,926
Silver bullion.....	507,909	507,909	507,909	507,909
	26,608,155	26,796,660	26,961,205	27,198,835

BANKING DEPARTMENT.

	1848. Oct. 28th.	1848. Nov. 4th.	1848. Nov. 11th.	1848. Nov. 18th.
Proprietors' capital.....	£ 14,553,000	£ 14,553,000	£ 14,553,000	£ 14,553,000
Reserve.....	3,367,862	3,415,616	3,418,745	3,421,579
Public deposits (including Ex- chequer, Savings' Banks, Com- missioners of National Debt, and Dividend Accounts).....	2,619,440	2,615,627	4,038,270	5,149,495
Other deposits.....	10,921,192	10,798,395	10,648,047	10,014,544
Seven day and other bills.....	1,040,754	1,048,503	1,041,621	1,036,211
	32,522,248	32,428,041	33,699,683	34,174,829
Government securities (including Dead Weight Annuity).....	12,950,012	12,769,012	13,329,012	13,329,012
Other securities.....	10,889,084	10,805,561	10,758,237	10,769,602
Notes.....	8,018,165	8,242,875	8,894,875	9,355,690
Gold and silver coin.....	664,987	610,893	717,569	721,125
	32,522,248	32,428,041	33,699,683	34,174,829

The Exchanges.

	Nov. 3.	Nov. 10th.	Nov. 17th.	Nov. 24th.
Amsterdam, 3 months.....	12 2½	12 2½	12 3	12 2½
Ditto at sight.....	12 0½	12 0½	12 1	12 ½
Rotterdam, short.....	12 2½	12 2½	12 3½	12 2½
Antwerp, 3 months.....	25 85	25 90	25 90	25 87½
Hamburg, ditto.....	13 11½	13 12	13 12	13 12
Paris, short.....	25 50	25 60	25 55	25 50
Paris, 3 months.....	25 77½	25 85	25 80	25 75
Marseilles, ditto.....	25 77½	25 85	25 82½	25 75
Bordeaux, ditto.....	25 77½	25 85	25 82½	25 75
Frankfort, ditto.....	122½	122½	122	122
Vienna, ditto.....	—	11 25	11 18	10 18
Trieste, ditto.....	—	11 25	11 18	10 18
Madrid, ditto.....	48½	47½	47½	47½
Cadix, ditto.....	47½	48½	48½	48½
Leghorn, ditto.....	32 30	32 30	32 5	32 5
Genoa, ditto.....	26 15	26 15	26 30	26 25
Naples, ditto.....	39	39	39½	39½
Palermo, ditto.....	—	116½	—	117
Messina, ditto.....	—	116½	—	117
Lisbon, 60 days' date.....	51½	—	52	—
Oporto, ditto.....	52	52	—	—
Rio Janeiro, ditto.....	—	—	—	—

Bankers' Magazine Appendix, December, 1848.

Bankers' Weekly Circulation Returns.

Pursuant to the Act 7 & 8 Victoria, c. 32; extracted from the LONDON GAZETTES.

PRIVATE BANKS.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Oct. 14.	Oct. 21.	Oct. 28.	Nov. 4.
	£	£	£	£	£
1 Andover Bank	17,751	16,155	15,565	13,066	15,022
2 Ashford Bank	11,849	11,787	12,729	11,801	10,554
3 Aylaham Bank	5,864	5,545	5,321	5,442	5,555
4 Aylesbury Old Bank	48,461	37,163	36,414	35,663	36,177
5 Baldock and Biggleswade Bank ..	37,223	26,557	26,786	26,327	26,555
6 Barnstaple Bank	17,182	11,628	12,155	13,025	12,410
7 Basingstoke and Odiham Bank....	24,730	17,963	18,253	17,915	17,854
8 Bedford Bank	34,218	33,245	33,830	33,977	32,992
9 Bedford and Bedfordshire Bank ..	8,515	6,824	7,541	6,850	6,600
10 Bewdley Bank	18,597	11,983	12,673	13,365	13,527
11 Bicester and Oxfordshire Bank....	27,090	14,625	14,715	14,166	13,850
12 Birmingham Bank—Attwoods & Co.	23,695	24,252	24,333	23,115	22,641
13 Birmingham and Warwickshire Bk.	18,132	13,783	13,649	12,225	12,420
14 Blandford Bank	9,723	6,173	6,022	6,003	6,650
15 Boston Bank—Garfit and Co.	75,069	73,003	71,992	70,050	69,419
16 Boston Bank—Gee and Co.	15,161	14,215	15,201	15,106	14,421
17 Bridgewater Bank	10,028	6,836	7,124	7,563	7,227
18 Bristol Bank	48,277	27,751	27,975	27,745	27,971
19 Broseley and Bridgenorth Bank ..	26,717	19,416	19,880	19,385	20,852
20 Buckingham Bank	29,657	22,982	23,508	22,595	21,616
21 Bury and Suffolk Bank	82,362	79,294	78,120	76,880	75,380
22 Banbury Bank	43,457	28,078	28,526	28,362	27,592
23 Banbury Old Bank	55,153	28,458	27,532	29,775	28,601
24 Bath City Bank	4,572	2,810	3,349	3,820	3,625
25 Bedfordshire Leighton Buzzard Bk.	36,829	34,474	34,893	36,170	33,616
26 Birmingham Bank—Taylor & Lloyds	38,816	34,340	34,006	33,216	30,954
27 Bradford Old Bank	12,676	11,259	12,930	12,085	11,970
28 Brecon Old Bank	68,271	58,432	59,299	59,178	59,551
29 Brighton Union Bank	33,794	30,716	30,810	31,256	31,170
30 Burlington and Driffield Bank	12,745	11,968	12,349	12,532	11,717
31 Bury St. Edmund's Bank	3,201	2,910	2,780	3,185	3,334
32 Bromsgrove Bank	16,799	13,430	13,513	13,487	12,654
33 Cambridge Bank—Mortlock & Son's	25,744	18,763	19,205	20,073	20,110
34 Cambridge and Cambridgeshire Bk.	49,916	48,803	46,524	47,171	47,269
35 Canterbury Bank	33,671	29,971	29,289	27,626	27,955
36 Carmarthen Bank	23,597	15,182	15,457	16,106	17,159
37 Chertsey Bank	3,436	3,324	3,149	3,146	2,879
38 Colchester Bank	25,082	16,228	15,750	15,770	16,095
39 Colchester and Essex Bank	48,704	31,684	32,713	33,800	31,955
40 Cornish Bank	49,869	36,650	36,859	37,310	37,003
41 Coventry Bank	12,045	8,682	8,765	8,506	8,355
42 City Bank, Exeter	21,527	16,453	16,394	16,563	16,394
43 Craven Bank	77,154	77,540	76,423	72,382	73,315
44 Christchurch Bank	2,840	2,256	2,423	2,348	2,008
45 Cardiff Bank	7,001	6,387	6,047	6,290	6,750
46 Chepstow Old Bank	9,387	7,931	7,445	7,575	7,591
47 Derby Bank—Messrs. Evans	13,332	12,989	12,671	13,678	12,611
48 Derby Bank—Smith and Co.	41,304	39,570	38,781	37,632	37,594
49 Derby Old Bank	27,237	24,937	25,479	25,902	25,753
50 Devizes and Wiltshire Bank	20,674	12,484	11,826	11,958	11,416
51 Diss Bank	10,657	10,030	9,788	10,146	10,162
52 Doncaster Bank and Retford Bank	77,400	64,645	64,376	63,942	63,584
53 Darlington Bank	86,218	71,279	74,364	74,321	73,875

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorized Issue.	AVERAGE AMOUNT.			
		Oct. 14.	Oct. 21.	Oct. 28.	Nov. 4.
	£	£	£	£	£
54 Devonport Bank	10,664	11,061	10,552	10,310	9,955
55 Dorchester Old Bank	48,807	43,880	43,777	42,610	42,761
56 East Cornwall Bank	112,280	87,121	84,162	86,071	84,302
57 East Riding Bank	53,392	52,537	54,378	51,637	50,890
58 Essex Bk. & Bishops Stortford Bk.	69,637	44,650	44,443	44,000	42,006
59 Exeter Bank	37,894	27,534	26,514	26,606	26,914
60 Fakenham Bank	24,293	23,161	23,501	22,476	21,984
61 Faringdon Bank & Bk. of Wantage	8,977	5,095	5,211	4,515	4,160
62 Farnham Bank	14,202	11,623	12,765	13,780	13,401
63 Faversham Bank	6,681	5,744	5,880	5,324	5,192
64 Godalming Bank	6,322	5,575	5,261	5,147	5,107
65 Guildford Bank	14,524	10,573	9,929	9,823	10,125
66 Grantham Bank—Hardy & Co. . .	30,372	27,211	26,159	27,068	27,212
67 Hastings Old Bank	38,038	23,185	24,018	24,051	23,231
68 Hereford City and County Bank . .	22,364	13,153	14,445	16,597	16,649
69 Hertford and Ware Bank	23,635	14,694	16,130	16,762	18,230
70 Hull & Kingston-upon-Hull Bank	19,979	20,449	20,521	19,390	18,792
71 Huntingdon Town & County Bank	56,591	50,538	49,513	48,438	48,334
72 Harwich Bank	5,778	5,213	4,852	4,659	4,444
73 Hemel Hempstead Bank	23,842	18,480	18,746	18,403	18,432
74 Hertfordshire, Hitchin Bank . . .	38,764	32,874	32,579	31,984	31,356
75 Hereford, Ross, & Archenfield Bk.	27,625	19,640	21,492	22,960	21,093
76 Ipswich Bank	21,901	22,210	21,452	20,138	19,129
77 Ipswich & Needham Market Bank	80,699	75,690	75,810	73,444	72,037
78 Kentish Bank	19,895	13,113	16,413	17,338	17,319
79 Kingston and Radnorshire Bank . .	26,050	24,677	24,599	25,376	25,495
80 Knighton Bank	9,090	9,637	8,728	7,975	8,530
81 Knaresborough Old Bank	21,825	18,695	19,278	19,668	19,428
82 Kendal Bank	44,663	35,933	36,038	35,925	35,839
83 Kettering Bank	9,192	8,390	8,789	7,979	7,123
84 Lane End Staffordshire Bank . . .	5,624	5,435	5,354	5,399	5,030
85 Leeds Bank	53,357	40,732	39,674	39,501	39,846
86 Leeds Union Bank	37,459	37,547	37,698	36,042	34,765
87 Leicester Bank	32,322	27,722	28,014	26,803	26,010
88 Lewes Old Bank	44,836	32,167	33,935	35,102	34,171
89 Lichfield Bank	22,786	21,980	20,789	20,845	20,771
90 Lincoln Bank	100,342	85,797	90,696	89,926	90,029
91 Llandovery Bank & Llandilo Bank	32,945	25,880	25,060	27,005	27,725
92 Loughborough Bank	7,359	7,640	7,578	7,204	6,988
93 Lymington Bank	5,038	3,459	3,493	3,280	3,226
94 Lynn Regis and Lincolnshire Bank	42,817	43,792	43,736	42,782	38,256
95 Lynn Regis and Norfolk Bank . .	13,917	13,722	13,474	13,905	13,576
96 Macclesfield Bank	15,760	11,466	12,104	11,498	11,683
97 Manningtree Bank	7,692	5,968	5,575	5,147	5,245
98 Marlborough Bank	19,073	13,515	14,368	13,919	14,456
99 Marlboro & North Wiltsh. New Bk.	12,490	8,368	8,539	7,569	7,339
100 Merionethshire Bank	10,906	7,893	8,589	9,741	9,280
101 Miners' Bank	18,688	13,358	13,392	13,913	13,652
102 Monmouthsh. Agricul. & Com. Bk.	29,335	25,841	24,760	24,620	25,804
103 Monmouth Old Bank	16,385	14,565	14,732	14,475	14,729
104 Monmouthshire Newport Old Bank	8,600	7,943	8,305	8,580	8,613
105 Newark Bank	28,788	22,148	23,075	23,336	24,476
106 Newark and Sleaford Bank	51,615	52,500	49,835	51,545	51,640
107 Newbury Bank	36,787	22,593	22,395	21,856	22,208
108 Newmarket Bank	23,098	24,667	23,245	21,701	20,470
109 Norfolk and Suffolk Bank	4,551	3,140	2,900	2,906	2,966
110 Norwich Crown Bank	45,120	44,914	41,047	42,200	43,434

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Oct. 14.	Oct. 21.	Oct. 28.	Nov. 4.
	£	£	£	£	£
111 Norwich and Norfolk Bank.....	75,372	74,850	73,926	70,537	69,451
112 Nottingham & Nottinghamsh. Bk.	10,866	9,159	9,664	8,989	8,958
113 Nuneaton Bank	5,898	4,512	4,855	4,580	4,516
114 Naval Bank, Plymouth	27,321	22,787	23,315	23,955	22,640
115 New Sarum Bank	15,659	11,030	11,429	11,506	11,423
116 Nottingham Bank	31,047	26,803	28,248	27,879	26,754
117 Oswestry Bank.....	18,471	11,714	11,480	11,106	12,104
118 Oxford Bank	14,277	9,325	10,482	10,331	9,653
119 Oxford Old Bank	34,391	24,503	26,759	30,559	30,829
120 Old Bank Tonbridge	13,183	9,021	9,913	10,291	10,188
121 Oxfordshire Witney Bank	11,852	7,661	7,897	7,509	7,570
122 Pease's Old Bank, Hull	48,807	45,384	45,347	44,651	43,584
123 Penzance Bank.....	11,405	10,902	11,177	11,610	10,860
124 Peterborough Bank—Yorke & Co.	12,545	12,201	12,015	10,621	9,489
125 Peterborough Bk.—Simpson & Co.	12,832	13,172	13,058	11,762	11,290
126 Pembrokeshire Bank	12,910	10,522	11,409	11,250	10,437
127 Reading Bank—Simmonds & Co.	37,519	27,615	27,760	27,740	27,136
128 Reading Bank—Stephens & Blandy	43,271	26,530	27,103	27,756	27,966
129 Richmond Bank, York	6,889	4,574	4,697	4,605	4,814
130 Ringwood and Poole Bank	11,856	7,492	7,808	8,350	8,036
131 Rochdale Bank.....	5,590	5,235	5,463	5,183	5,028
132 Rochester, Chatham, & Strood Bk.	10,480	10,200	10,234	9,451	8,818
133 Royston Bank	16,393	13,570	14,106	14,143	14,195
134 Rugby Bank.....	17,250	11,400	11,898	12,998	11,678
135 Rye Bank.....	29,864	14,148	13,652	13,541	14,443
136 Reigate and Dorking Bank	13,700	10,747	10,644	10,591	10,649
137 Ross Old Bank, Herefordshire ..	7,420	4,435	4,248	4,300	4,276
138 Saffron Walden & North Essex Bk.	47,646	28,034	28,542	30,309	31,542
139 Salop Bank	22,338	11,741	11,850	11,428	11,041
140 Scarborough Old Bank	24,813	21,709	21,915	21,811	21,662
141 Shrewsbury Old Bank.....	43,191	30,568	31,898	30,511	28,724
142 Sittingbourne and Milton Bank ..	4,789	2,410	2,943	3,556	3,795
143 Southampton Town & County Bk.	18,589	12,901	13,045	12,196	12,582
144 Southwell Bank	14,744	12,937	13,759	13,268	12,983
145 St. Albans Bank	3,743	667	676	642	649
146 Southampton and Hampshire Bank	6,770	3,392	3,766	3,697	3,606
147 Stone Bank	9,154	3,814	3,558	3,413	3,530
148 Stourbridge Bank.....	17,295	15,038	15,025	15,106	13,690
149 Stafford Old Bank	14,166	14,649	14,602	13,512	13,422
150 Stamford and Rutland Bank	31,858	33,023	31,348	30,353	31,296
151 Stourbridge Old Bank.....	17,560	17,430	17,003	16,816	16,870
152 Shrewsbury and Welsh Pool Bank	25,336	21,331	21,072	20,820	19,870
153 Taunton Bank	29,799	20,673	20,654	21,869	23,334
154 Tavistock Bank	13,421	9,908	9,558	9,347	8,960
155 Thornbury Bank	10,026	6,640	6,613	6,684	6,492
156 Tiverton and Devonshire Bank ..	13,470	7,665	7,372	7,584	7,623
157 Thrapstone and Kettering Bank ..	11,559	11,720	11,605	10,964	11,041
158 Tring Bank and Chesham Bank ..	13,531	11,556	11,397	11,519	11,817
159 Towcester Old Bank	10,801	8,356	8,366	8,060	8,389
160 Union Bank, Cornwall	17,003	6,898	7,374	7,274	7,259
161 Uxbridge Old Bank.....	25,136	17,826	16,786	16,785	17,276
162 Wallingford Bank	17,064	6,971	6,880	6,825	6,527
163 Warwick and Warwickshire Bank	30,504	22,809	24,124	22,907	21,960
164 Wellington Bank, Somerset	6,528	2,923	3,015	3,262	3,483
165 West Riding Bank	46,158	43,422	43,053	40,739	39,262
166 Whitby Old Bank	14,258	12,174	12,094	12,748	12,279
167 Winchester, Alresford & Alton Bk.	25,892	21,475	22,035	23,701	21,859
168 Winchester and Hampshire Bank	6,737	4,523	4,404	4,764	4,286

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Oct. 14.	Oct. 21.	Oct. 28.	Nov. 4.
	£	£	£	£	£
169 Weymouth Old Bank	16,461	13,635	13,672	14,002	13,927
170 Wirksworth and Derbyshire Bank	37,602	31,031	30,596	31,412	30,469
171 Wisbech and Lincolnshire Bank..	59,713	61,445	56,098	54,443	52,571
172 Wiveliscombe Bank.....	7,602	7,952	7,719	7,211	6,956
173 Wolverhampton Bank—Goodricke & Co.	14,180	14,105	13,219	13,410	13,440
174 Worcester Bank	15,463	11,575	11,943	11,279	11,140
175 Worcester Old Bank	87,448	76,473	79,183	78,954	78,966
176 Worcestershire Bank	14,309	12,231	12,235	11,712	11,512
177 Walsall Old Bank	19,937	4,332	4,150	3,995	3,850
178 Warminster and Wiltshire Bank..	24,896	15,433	14,945	14,677	14,747
179 Wrexham Bank	3,289	140	140	140	140
180 Wolverhampton Bank—R. & W. Fryer	11,867	11,480	11,464	10,982	10,414
181 Yarmouth and Suffolk Bank	53,060	50,409	49,120	48,588	48,203
182 Yarmouth, Norfolk, & Suffolk Bk.	13,229	13,320	12,584	11,597	11,191
183 Yeovil Old Bank	10,033	6,664	6,324	6,297	6,307
184 York Bank	46,387	42,717	42,982	43,045	41,768

JOINT STOCK BANKS.

1 Bank of Westmoreland.....	12,225	7,434	7,542	7,595	7,550
2 Barnsley Banking Company	9,563	9,211	9,005	8,956	9,001
3 Bradford Banking Company.....	49,292	46,492	45,948	46,013	45,340
4 Bilston District Banking Company	9,418	8,402	8,840	9,845	9,038
5 Bank of Whitehaven.....	32,681	27,390	27,158	27,450	28,361
6 Bradford Commercial Banking Co.	20,084	15,711	16,018	15,751	15,208
7 Burton, Uttoxeter, and Staffordshire Union Bank	60,701	49,269	49,565	49,379	51,488
8 Chesterfield & N. Derbysh. Bk. Co.	10,421	8,750	9,703	9,414	9,180
9 Cumberland Union Banking Co. .	35,395	28,882	29,715	30,438	31,204
10 Cheltenham & Gloucestershire Bk. Co.	12,786	9,028	9,032	9,068	9,106
11 Coventry & Warwickshire Bk. Co.	28,734	26,612	24,961	22,693	22,294
12 Coventry Union Banking Company	16,251	12,647	13,205	12,589	12,828
13 County of Gloucester Banking Co.	144,352	96,246	98,097	96,104	98,135
14 Carlisle & Cumberland Banking Co.	25,610	24,146	24,965	25,756	25,196
15 Carlisle City and District Bank....	19,972	20,285	19,549	20,420	19,472
16 Dudley & West Bromwich Bkg. Co.	37,696	31,824	36,209	36,813	34,895
17 Derby and Derbyshire Banking Co.	20,093	20,305	20,055	19,900	18,776
18 Darlington Dist. Joint Stock Bk. Co.	26,134	19,306	19,870	20,466	20,045
19 East of England Bank	25,025	24,549	24,153	23,696	23,800
20 Gloucestershire Banking Company	155,920	142,817	144,756	145,063	145,885
21 Halifax Joint Stock Bank.....	18,534	14,045	14,060	13,035	13,450
22 Huddersfield Banking Company ..	37,354	34,866	34,260	35,285	37,384
23 Hull Banking Company	29,333	26,974	27,790	27,392	27,682
24 Halifax Commercial Banking Co..	13,733	9,222	9,334	9,460	8,875
25 Halifax & Huddersfield Union Bank	44,137	32,920	31,871	29,740	28,286
26 Helston Banking Company	1,503	1,535	1,583	1,502	1,312
27 Herefordshire Banking Company..	25,047	19,386	22,272	25,173	23,049
28 Knaresborough and Claro Bkg. Co.	28,059	22,306	22,305	22,868	23,095
29 Kingsbridge Joint Stock Bank	3,952	3,027	3,129	3,212	3,276
30 Lancaster Banking Company	64,311	51,448	52,085	52,128	52,496
31 Leeds Banking Company	23,076	25,990	24,172	21,646	20,252
32 Leicestershire Banking Company ..	86,060	76,198	78,842	76,087	75,206
33 Lincoln and Lindsay Banking Co.	51,620	51,172	50,555	51,600	51,284
34 Leamington Priors & Warwicksh. Bk.	13,875	10,435	10,455	10,191	10,384
35 Ludlow and Tenbury Bank	10,215	11,179	10,670	9,949	8,912

WEEKLY RETURNS OF BANKS OF ISSUE.

NAME OF BANK.	Authorised Issue.	AVERAGE AMOUNT.			
		Oct. 14.	Oct. 21.	Oct. 28.	Nov. 4.
	£	£	£	£	£
36 Moore & Robinson's Notts. Bank ..	35,813	21,469	21,958	22,887	23,167
37 Nottingham and Notts. Banking Co.	29,477	28,810	30,111	28,417	27,562
38 Newcastle, Shields, and Sunderland Union Joint Stock Bank	84,130	2,760	2,705	2,663	2,628
39 National Provincial Bk. of England	442,371	404,689	408,474	414,122	397,396
40 North Wilts Banking Company ..	63,939	51,443	52,301	50,583	50,698
41 Northamptonshire Union Bank ..	84,356	75,976	76,252	74,675	74,826
42 Northamptonshire Banking Co. ..	26,401	23,104	23,289	23,268	24,411
43 North and South Wales Bank	63,951	27,258	27,290	28,813	28,015
44 Pare's Leicestershire Banking Co..	59,300	47,512	49,223	46,287	45,139
45 Saddleworth Banking Company ..	8,122	1,762	1,662	1,655	1,604
46 Sheffield Banking Company	35,843	35,245	33,784	34,640	34,590
47 Stamford, Spalding & Boston Bk. Co.	55,721	45,757	51,600	52,820	52,511
48 Stuckey's Banking Company	356,976	276,500	278,295	279,510	273,937
49 Shropshire Banking Company	47,951	39,384	38,794	39,497	39,242
50 Stourbridge and Kidderminster Bk.	56,830	57,842	58,345	54,524	53,925
51 Sheffield and Hallamshire Bank ..	23,524	22,892	23,388	22,087	20,715
52 Sheffield & Rotherham Jt. Stock Bk.	52,496	52,504	53,097	51,459	51,642
53 Swaledale and Wensleydale Bank..	54,372	42,291	43,738	43,050	43,851
54 Storey's and Thomas's Bank	9,714	9,709	9,497	9,707	9,922
55 Wolverhampton & Staffordsh. Bank	35,378	37,060	35,809	35,255	32,341
56 Wakefield and Barnsley Union Bank	14,604	13,333	13,255	11,677	11,700
57 Whitehaven Joint Stock Bank	31,916	23,371	22,912	22,793	22,744
58 Warwick and Leamington Bkg. Co.	37,124	32,537	32,787	31,803	31,921
59 West of England and South Wales District Bank	83,535	75,974	73,711	70,804	70,354
60 Wilts and Dorset Banking Company	76,162	69,880	72,631	70,830	69,448
61 West Riding Union Banking Co. ..	34,029	27,740	28,538	25,593	23,589
62 Whitechurch and Ellesmere Bkg. Co.	7,475	3,734	3,181	3,138	4,390
63 Worcester City & County Bkg. Co.	6,848	7,455	6,670	6,266	5,785
64 York Union Banking Company ..	71,240	70,375	70,563	70,467	71,837
65 York City and County Banking Co.	94,695	90,081	89,926	88,736	86,977
66 Yorkshire Banking Company	122,532	116,285	115,223	114,267	112,165

Summary of the above Returns.

	Fixed Issues.	Oct. 14.	Oct. 21.	Oct. 28.	Nov. 4.
	£	£	£	£	£
184 Private Banks	4,822,488	3,938,548	3,947,191	3,918,126	3,870,614
66 Joint Stock Banks ..	3,409,987	2,854,741	2,880,828	2,859,006	2,820,477
250 Totals	8,232,475	6,793,289	6,828,019	6,777,132	6,691,091

Average Weekly Circulation of these Banks for the month ending November 4th:—

Private Banks	£3,918,619
Joint Stock Banks	2,853,763

Average Weekly Circulation of Private and Joint Stock Banks ending as above £6,772,382

On a comparison of the above with the Returns for the Month ending 7th October last, it shows—

An increase in the Notes of Private Banks, of	£237,025
An increase in the Notes of Joint Stock Banks, of	187,014

Total increase on the Month £424,039

CIRCULATION RETURNS.

And, as compared with the Month ending the 6th November, 1847, it shows—

A decrease in the Notes of Private Banks, of	£380,729
A decrease in the Notes of Joint Stock Banks, of	230,348

Total decrease, as compared with the same period of last year.. £611,077

In the *Banking Almanac* for 1849, the fixed issues of the several Banks at the present time is stated to be as follows:—

Fixed issue of the Private Banks at October, 1848	£4,822,488
Fixed issue of the Joint Stock Banks ditto	3,409,987

Amount of the fixed issues

The following appears to be the comparative state of the circulation, with reference to the fixed issues:—

The Private Banks are below their fixed issue	£903,869
The Joint Stock Banks are below their fixed issue	556,224

Total BELOW the fixed issue.....£1,460,093

Irish and Scotch Circulation Returns.

Average Circulation, and Coin held by the SCOTCH and IRISH BANKS during the four weeks, ending Saturday, the 4th day of November, 1848.

SCOTCH BANKS.

NAME OF BANK.	Authorised Circulation.	Average Circulation during Four Weeks, ending as above.			Average Amount of Gold & Silver Coin held during Four Weeks ending as above.
		£s and upwards.	Under £s.	Total.	
	£	£	£	£	£
Bank of Scotland	300,485	101,261	212,324	313,585	154,782
Royal Bank of Scotland ..	183,000	56,664	118,965	175,628	75,462
British Linen Company....	438,024	154,153	279,154	433,307	120,718
Commercial Bk. of Scotland	374,880	144,687	288,012	432,700	143,156
National Bank of Scotland	297,024	110,265	213,783	324,048	61,400
Union Bank of Scotland ..	327,223	106,304	206,449	312,753	88,776
Edinburgh & Glasgow Bk.	136,657	63,512	78,318	141,830	33,310
Banking Com. in Aberdeen	88,467	31,167	77,237	108,405	38,263
Aberdeen Town and Co. Bk.	70,133	26,732	59,717	86,449	20,235
North of Scotland Bk. Co.	154,319	54,161	93,617	147,778	15,032
Dundee Banking Company	33,451	10,393	20,863	31,257	4,438
Eastern Bank of Scotland..	33,636	12,706	22,540	35,246	7,800
Western Bank of Scotland	337,938	116,479	277,800	394,279	100,954
Clydesdale Banking Co. ..	104,028	25,112	79,085	104,197	20,928
City of Glasgow Bank	72,921	47,746	64,551	112,297	50,346
Caledonian Banking Co. ..	53,434	21,035	40,883	61,918	17,072
Perth Banking Company ..	38,656	13,216	31,609	44,825	12,236
Central Bank of Scotland..	42,933	12,340	33,431	45,771	12,832
TOTALS (Scotch Banks) ..	3,087,209	1,107,933	2,198,338	3,306,273	977,740

IRISH BANKS.

Bank of Ireland	3,738,428	1,839,700	1,068,225	2,907,925	757,088
Provincial Bank.....	927,667	298,011	464,833	762,844	303,785
Belfast Bank	281,611	40,538	213,930	254,468	93,300
Northern Bank	243,440	26,851	161,956	188,808	75,415
Ulster Bank	311,079	21,101	206,607	227,708	49,342
National Bank	761,757	225,525	404,776	630,301	202,353
Carriack-on-Suir Nat. Bank	24,084	4,258	8,888	13,147	3,450
Clonmel National Bank ..	66,428	16,460	25,056	41,516	10,166
TOTALS (Irish Banks)	6,354,494	2,472,444	2,554,271	5,026,717	1,494,899

CIRCULATION RETURNS.

SUMMARY OF IRISH AND SCOTCH RETURNS TO NOVEMBER 4th.

The Returns of Circulation of the Irish and Scotch Banks for the four weeks ending 4th November last, when added together, give the following as the average weekly circulation of these banks during the past month, viz. :—

Average Circulation of the Irish Banks £5,026,717
Average Circulation of the Scotch Banks 3,306,373

Total Average Circulation of these Banks for the past month £8,333,090

On comparing these amounts with the Returns for the month ending 7th October last, they show—

Increase in the Circulation of Irish Banks £520,296
Increase in the Circulation of Scotch Banks 169,737

Total increase last month £690,033

And as compared with the month ending 6th November, 1847, they show—

Decrease in the Circulation of Irish Banks £492,597
Decrease in the Circulation of Scotch Banks 300,445

Total decrease on the year £793,042

The fixed issues of the Irish and Scotch Banks at the present time, are given in the *Banking Almanac*, for 1849, as follows.—

8 Banks in Ireland, allowed to issue... £6,354,494
18 Banks in Scotland, allowed to issue 3,067,309

26 Banks in all, allowed to issue £9,441,783

The following appears, therefore, to be the comparative state of the circulation :—

Irish Banks are below their fixed issue £1,337,777
Scotch Banks are above their fixed issue 219,064

Total below the fixed issue £1,106,713

The amounts of Gold and Silver held at the head offices of the several banks, during the past month, have been as follows :—

Gold and Silver held by the Irish Banks £1,494,899
Gold and Silver held by the Scotch Banks 997,744

Total of Gold and Silver Coin £2,492,639

Being a increase of £74,559 on the part of the Scotch Banks, and an increase of £2,747 on the part of the Irish Banks, on the several amounts held by them during the preceding month.

CIRCULATION OF THE UNITED KINGDOM TO NOVEMBER 4th.

The following is the state of the Note Circulation of the United Kingdom, for the month ending the 4th November, 1848.

Circulation of Notes for the Month ending November 4th, as compared with the previous month :

	Oct. 7, 1848.	Nov. 4, 1848.	Increase.	Decrease.
Bank of England.....	£17,505,718	£18,509,450	1,003,732	—
Private Banks	3,681,594	3,918,619	237,025	—
Joint Stock Banks	2,666,749	2,853,763	187,014	—
Total in England.....	23,854,061	25,281,832	1,427,771	—
Scotland.....	3,136,516	3,306,273	169,757	—
Ireland	4,506,421	5,026,717	520,296	—
United Kingdom.....	31,496,998	33,614,822	2,117,824	—

The comparison of the month ending November 6, 1847, with the month ending November 4, 1848, shows a decrease in the Bank of England circulation of £1,717,264, a decrease in Private Banks of £380,729, and a decrease in Joint Stock Banks of £230,348; being a total decrease in England of £2,328,341: while in Scotland there is a decrease of £303,445; and in Ireland a decrease of £492,597. Thus showing that the month ending November 4th, as compared with the same period last year, presents a decrease of £2,328,341 in England, and a decrease of £3,121,383 in the United Kingdom.

The return of Bullion in the Bank of England for the month ending November 4th. gives an aggregate amount in both departments of £13,275,722. On a comparison of this with the Return for the month ending October 7th, there appears to be a decrease of £420,152; and an increase of £4,797,768 when compared with the same period last year.

The stock of specie held by the Banks in Scotland and Ireland during the month ending 4th November, was £2,492,639, being an increase of £77,306, as compared with the return of the previous month, and a decrease of £159,947, as compared with the corresponding period last year.

THE BANKERS' MAGAZINE ;

Journal of the Money Market, and Railway Digest.

SUPPLEMENT, DECEMBER, 1848.

RAILWAY COMPANIES' FINANCIAL STATEMENTS.

ALL the chief Railway Companies having now published Financial Statements of their Liabilities and Assets, affording their Shareholders and the Public the most exact official information of the real financial condition of the several companies' affairs, we have thought it desirable to collect these statements together, and publish them in the *Bankers' Magazine*. The value of these documents to capitalists and parties interested in railway property can hardly be over estimated ; and we think that the convenient form for reference in which they are now presented, will be acceptable to our readers.

GREAT WESTERN RAILWAY.

THE following accounts, which represent the capital, expenditure, liabilities, and property of this Company, have been drawn out for the information of the proprietors, in nearly the same form as those recently published by the London and North-Western Railway Company.

1. Capital in shares and loans, with a statement of the expenditure and liabilities in respect of lines producing revenue, to the 30th June last.

2. Expenditure on railways in the course of construction, but not then producing revenue.

3. Amounts paid and payable for subsidiary railways or undertakings to which the Great Western Company are subscribers, or lessees at a guaranteed rent, distinguishing the nature and amount of guarantee, with a statement of other liabilities.

4. Railways, or portions of railways, for which powers have been obtained, but the works not commenced.

5. Summary of capital provided, or to be provided, by the Great Western Railway Company.

No. 1.—MAIN LINE AND BRANCHES PRODUCING REVENUE.

NAME.	Miles.	GENERAL CAPITAL. Received.					PRODUCTIVE EXPENDITURE.				Total.
		Amount created in Shares.	Calls.	Anticipation of Calls.	Loan Notes, Loans, &c.	Loans on Mortgage.	Total received to 30th June, 1848.	Total expended to 30th June, 1848.	Probable amount payable for works, stations, and waggons, dating from 1st July last.		
									On Main Line.	On Branch.	
Great Western Railway	118½	£	£	£	£	£	£	£	£	£	
Cheltenham and Great Western Union Railway, with branch to Cirencester ..	45½	8,167,080	6,478,222	(a) 492,228	(b) 1,296,610	(c) 3,190,217	11,457,277	(d) 6,701,832	50,000	6,751,832	
Oxford Railway ..	10							1,079,605	..	50,000	1,818,926
Berks and Hants Railway (Reading to Hungerford)	25							186,562	..	502,769	..	872,562
Locomotive stock, engines, carriages, waggons, &c. ....	..							(e) 842,562	(f) 30,000	
	198½							(g) 9,313,320	80,000	9,443,320	

(a) Advances on calls and debentures under acts 5 & 6 Will. IV. and 7 Vic. cap. 3

(b) This sum includes £1,080,500 of Loan Notes legalised by act 7 Vic. cap. 3, falling due in the years 1848—1849—1850—1853, and 1854

(c) Mortgage loans under act 9 Vic., cap. 14

(d) This sum includes the expenditure for the engine and carriage factory, store shops, and other buildings erected at Swindon, with all the machinery for manufacture and repair of locomotive stock, in respect of railways to be worked by this Company

(e) This comprises the outlay for engine and carriage stock at present used upon the Bristol and Exeter Railway (75½ miles), and its Branches (10½ miles), as well as locomotive engines and tenders employed on the South Devon Railway (50½ miles), in addition to the entire plant now working over the 198½ miles of railway specified in this statement; besides a general provision (waggons (f) only excepted) for new lines since opened or under construction.

(f) The productive expenditure to 30th June, being

(g) Share capital on which dividend was declared

The difference provided from borrowed money

N.B. The sum charged against Revenue, as per last half-yearly Account was

Interest at £4 7s. 6d. for the half-year = £57,302 15 7

67,693 3 7

**No. II.—RAILWAYS IN THE COURSE OF FORMATION, NOT PRODUCING
REVENUE ON THE 30TH JUNE, 1848.**

NAME.	Miles.	EXPENDITURE.		Total.
		Total to 30th June, 1848.	Estimated amount re- quired to com- plete works of roads and sta- tions, dating from 1st July last.	
GREAT WESTERN LINES.				
Berks and Hants Railway (Reading to Basingstoke) (a)	15	£ 301,655	£ 40,000	£ 341,655
Oxford and Rugby Railway (Oxford to Fenny Compton) (b)	35½	615,939	285,000	900,939
Windsor Railway	2½	4,079	(c) 170,000	174,079
West London Railway (d)	3	34,250	..	34,250
	56	955,923	495,000	1,450,923
RAILWAYS PURCHASED.				
Birmingham and Oxford	30½	(e) 310,116	(f) 1,989,884	(g) 2,300,000
Birmingham, Wolverhampton, and Dudley	11			
Premium of £10 6s. per share, after deducting £194,750 which belongs to the Great Western Company, as shareholders in the two companies.....	..	..	(g) 676,500	(h) 676,500
	41½	310,116	2,666,384	2,976,500

(a) This line was opened for traffic on the 1st November, 1848.

(b) The railway from Fenny Compton to Rugby is not commenced (see No. 4).

(c) This Estimate comprises a sum of £25,000 payable to the Commissioners of Woods and Forests for Crown lands purchased on the line, and in the town of Windsor, and for effecting certain improvements there. Shares were created for £130,000 under the resolution of the last general meeting, towards this expenditure.

(d) Leased for 999 years jointly with the London and North Western Company, but not yet worked over by this company.

(e) The sum advanced by this company as shareholders, including expenses and cost of some permanent rails for the line, (see No. 4).

(f) Of this amount about £950,000, already expended, has been paid by the two companies out of calls received from their other shareholders, who will have to provide about £370,000 more; and a further sum of £560,000 may be raised on mortgage under the special acts.

(g) This total estimate assumes that some arrangement may be made to dispense with two separate lines and stations in the town of Leamington, and that a portion of the expenditure in Birmingham may also be saved.

(h) This premium, as well as the share capital, will only become payable by this company at the expiration of six months after the opening of these lines for traffic.

No. III.—SUBSIDIARY RAILWAYS, OR UNDERTAKINGS, IN WHICH THE COMPANY ARE INTERESTED BY SUBSCRIPTION, CONTRIBUTION, OR GUARANTEE, WITH A STATEMENT OF OTHER LIABILITIES.

NAME.	Miles.	Amount paid by Great Western Company, to 30th June, 1846.	Amount to be paid.	Total subscription.	Amount guaranteed after deducting the Company's subscription.	Probable amount per an., after deducting the Company's subscription.
OPENED.		£	£	£	£	£
South Devon Railway (including branch to Torquay)	57	211,487	13,513	225,000	Nil.	..
IN COURSE OF CONSTRUCTION.						
Wilts, Somerset, and Weymouth Railway.....	116	387,570	157,430	545,000	Amt. not limited. <i>a</i>	<i>b</i> 90,000
South Wales Railway.....	188	201,942	379,058	581,000	<i>c</i> 3419,000	<i>d</i> 170,950
Ditto (subscriptions to other lines) .....	..	..	..	..	..<i>e</i>	7,500
Oxford, Worcester, and Wolverhampton Railway	97½	147,388	33,612	181,000	<i>f</i> 2319,000	<i>a</i> 92,760
Gloucester and Forest of Dean	10	7,818	42,182	50,000	<i>g</i> 375,000	<i>d</i> 15,000
Plymouth Great Western Docks	..	..	9,500	9,500	Nil.	..
Severn Navigation Commissioners .....	..	..	..	..	..<i>h</i>	Nil.
Stratford-upon-Avon Canal ..	..	..	108,330	108,330	Nil.	..
NOT IN COURSE OF CONSTRUCTION.	411½	956,205	703,645	1,699,830		
Cornwall Railway	64	55,709	22,291	78,000		
Cheltenham and Oxford Railway	38					
DEDUCT.		1,011,914	765,916	1,777,830		
Amount already raised towards these subscriptions, under guarantee sanctioned by resolution of general meeting, August, 1847.....	..	549,660	..	549,660		
		462,254	765,916	1,228,170		
Annual rent (exclusive of the company's subscriptions) for } 41½ miles of additional railway.....						376,210

a Four per cent per annum, and half of any dividend on Great Western shares, exceeding 8 per cent. per annum, is the guarantee.

b This rent is calculated on an estimated expenditure of £2,000,000 to complete the whole line, in addition to the £545,000 subscribed by this company. £1,000,000 must be raised, when necessary, by the Wilts, Somerset, and Weymouth Railway Company, on shares or loans, at 5 per cent. per annum, which is provided for in the above-mentioned guaranteed rent.

c Five per cent. per annum, and half the profits of the line after five years, is the guarantee.

d These guaranteed rents will not be payable, nor any liability incurred under the existing agreements for lease, until the respective lines shall be completed and ready for traffic. The fixed rent is limited, by agreement, to the sums severally enumerated in the seventh column.

e Contingent on the amount to be paid to secure 5 per cent. per annum.

f Four per cent. per annum, and half the profits of the line, is the guarantee.

g Four per cent. per annum, and half the profits of the line, is the guarantee.

h To guarantee £14,000 for annual tolls, which amounted, during the first year,

to £12,500. A joint guarantee with the Oxford, Worcester, and Wolverhampton Company, to commence after that line is opened beyond Worcester, but the liability has been since postponed by Act 9 and 10 Vict., cap. 291.

‡ This canal, after defraying annuities and interest on debt, pays more than 6½ per cent. on the share capital.

§ The subscription contracts required for these two lines have never been completed, and the compulsory powers of their acts are therefore in abeyance. It is obvious that their works cannot proceed, at all events, for the present; and it is estimated that £22,000 will defray all existing claims on this company as subscribers.

No. IV.—RAILWAYS, OR PORTIONS OF RAILWAYS FOR WHICH POWERS HAVE BEEN OBTAINED, BUT WHICH HAVE NOT BEEN COMMENCED.

NAME.	Amount authorized by Act.			Expended to 30th June, 1848.
	In Shares.	In Loans.	Total.	
1. Monmouth and Hereford Railway	£550,000	£183,333	£733,333	* £58,936
2. Wycomb Railway†	150,000	50,000	200,000	† 12,788
3. Uxbridge Railway†	50,000	16,670	66,680	
4. West London Extension, with Branch to Hammer-smith‡	280,000	93,333	373,333	} 148,417
5. Radstock to Twerton‡	380,000	126,666	506,666	
6. Henly to Twyford‡	600,000	200,000	§ 800,000	27,126
7. Hungerford to Westbury, with Branch to Devizes				
Miscellaneous Expences....	..	..	..	22,189
PORTIONS OF RAILWAYS.				
8. Oxford and Rugby (Fenny Compton to Rugby) .....	|| ..	..	..	..
9. Birmingham and Oxford (Stratford Branch)				
	£2,010,010	£670,002	£2,680,012	£269,456
Estimate of further existing Liabilities to be defrayed.....				80,544
Total expenditure at present incurred.....				£350,000

* From the disbursements for this line, the sum of £105,090, which had been paid under a contract for rails delivered, but not used, has been transferred to account of the Birmingham and Oxford Railway, on which the rails will be laid. (See No. 2.)

† The power to purchase these branches is in abeyance until those Companies shall have respectively paid up, and expended half of their share capital—a condition which it is not probable that they can now perform.

‡ The works of these lines were compulsorily suspended under the Act of 11 Victoria, cap. 3.

§ Under the Act of 11 and 12 Victoria, cap. 74, £500,000, agreed to be subscribed by shareholders in the Newbury and Bath Railway Company, was provided for by creating 5 per cent. Berks and Hants Preference Shares. The sum of £45,110 has been received as a deposit on account of those shares, but no further call on them can be made until July, 1849.

|| The sums estimated in table No. 2 exceed the amount authorized to be raised under the Acts for these railways.

No. V.—SUMMARY OF CAPITAL PROVIDED, OR TO BE PROVIDED,
BY THE GREAT WESTERN RAILWAY COMPANY.

Schedule.	NAME.	Expended to 30th June, 1848.	Required.	Total.
No. 1....	Main Line and Branches producing revenue, including Plant for all the lines, as explained	£9,313,320	£130,000	£9,443,320
2....	Great Western Lines in course of construction, but not yet producing revenue	955,923	495,000	1,450,923
3....	Purchased Railways, ditto....	310,118	2,666,384	2,976,500
	Subsidiary undertakings, in which the Company are interested by subscription:—			
	Amount paid ....£1,011,914			
	Less amount already raised under Great Western Guarantee . 549,660			
		462,254	765,916	1,228,170
4....	Railways, or portions of railways, not commenced.....	269,456	80,544	350,000
		£11,311,069	£4,137,844	£15,448,913

The directors having annexed to the schedules such observations as seem likely to explain to the proprietors, in the most intelligible form, the financial condition of the company, have merely to request their attention to the conclusions which may be naturally drawn from this review of their affairs.

The liabilities of every description specified therein will tend to refute the misrepresentations circulated as to the amount of capital which must be raised by the Great Western Railway Company; and the directors furnish the following abstract for the purpose of showing concisely what is requisite to meet their engagements; thus—

<i>Assets.</i>				
The Share Capital created prior to the 30th June, 1848,				
per Schedule No. 1 .. .. .	..	..	..	£8,160,000
Calls received .. .. .	..	..	£6,478,222	
Ditto by anticipation . .. .	..	..	492,228	
				6,970,450
Provides by Calls still available .. .. .	..	..	..	£1,189,550
Cash Balance, 30th June, 1848 .. .. .	..	..	..	146,208
Shares created under resolution of the proprietors of 17th August, 1848, for the Windsor line .. .. .	..	..	..	130,000
Subscriptions remaining to be raised under guarantee, to complete £1,700,000 (£549,660 having been already received) .. .. .	..	..	..	1,150,340
Total .. .. .	..	..	..	£2,616,098

Engagements.

Loans, &c., and Loan Notes payable as per Schedule No. 1	£1,296,610	
Works, &c., ditto	130,000	
Great Western Lines, as per Schedule No. 2	495,000	
Subscriptions, ditto No. 3	765,916	
Existing liabilities, ditto No. 4.. .. .	80,544	
	<hr/>	2,768,070
Deficiency		£151,972
Purchase money of the Oxford and Birmingham, and Wolverhampton Railways, including premium, payable six months after completion; as per Schedule No. 2		2,666,384
		<hr/>
		£2,818,356

Future Capital to be supplied.

Additional Shares (to be created probably in 1851) ..	£2,460,000
Ditto Mortgage Loans	359,783
	<hr/>
	£2,819,783

The period at which it may become necessary or advisable to create additional capital for the purposes abovementioned, must of course, be contingent upon some circumstances which the directors cannot at present foresee or control—such as the facility, or otherwise, according to the state of the money market, of obtaining loans to pay up subscriptions, or renew mortgages falling due. It will, undoubtedly, be an object of great importance to delay the creation of additional shares, until the period when they may be required to pay off the purchase moneys of the Birmingham and Oxford, and Birmingham, Wolverhampton and Dudley Railways.

It is not intended, for obvious reasons, to proceed at present with the railways specified in Schedule No. 4, which will be severally brought under consideration of the proprietors before any steps are taken to construct them; and the capital requisite for such suspended lines has consequently been excluded from the foregoing abstract. The same observation will also apply to the Cheltenham and Oxford Railway (a subsidiary line), the subscription for which has not yet been made up.

It can scarcely be necessary in this statement to dwell upon the intrinsic value of the several undertakings now in course of construction, which have been promoted as extensions and feeders of the Great Western Railway. The railway from Oxford to Birmingham and Wolverhampton, constitutes an arterial communication into that important mineral and manufacturing dis-

trict—a line scarcely inferior, if at all, in point of productive traffic, to the Great Western Railway to Bristol.

The South Wales and Forest of Dean lines to Gloucester—the Oxford, Worcester, and Wolverhampton line to Oxford—and the Wilts, Somerset, and Weymouth Railways, are all connected with mineral districts, and the two former pass through the centre of an active manufacturing population. In those respects they are unquestionably better calculated to yield a busy commercial traffic than the Bristol and Exeter Railway, which neither locally possesses minerals of coal or iron, nor combines any extensive manufacturing interests, and is still without direct access to a port in the English Channel. These considerations seem to warrant the belief, that the receipts per mile on the extension railways, leased by this company, will exceed the average at present received on the Bristol and Exeter line.

In conclusion, the directors have prepared the following supplemental statements of the prospects of the company, marked A, B, C, D, and E, founded upon the opinions and views thus expressed, which they submit for the consideration of their shareholders. They have determined to avoid speculative estimates as much as possible, confining themselves to a mere comparison of the value of new undertakings, with reference to the ascertained traffic on those railways now worked, which seem to bear the closest affinity to them,—a course which will still leave every individual to investigate, for himself, the circumstances of each line, and exercise his own judgment as to the probable result, when the whole system shall have come into full operation.

By order of the Directors,

CHARLES A. SAUNDERS,
Secretary.

Paddington Station,
Nov. 9, 1848.

(A)—PERMANENT CAPITAL ACCOUNT.

Expenditure for Construction of Lines.

Miles.					
198 $\frac{3}{4}$	Railways producing revenue, as per Schedule No. 1	..	£9,443,320		
56	Ditto in course of construction			No. 2	{ 1,450,923
41 $\frac{1}{2}$	Purchased railways ditto				{ 2,976,500
—	Lines authorized, but works not commenced, Schedule No. 4				350,000
296 $\frac{1}{4}$	Total number of miles	..	..	..	£14,220,743

Permanent Capital.

Shares or stock (estimated amount)	..	..	£10,750,000	
Mortgage loans	..	..	3,550,000	
				£14,300,000

(B)—SUBSCRIPTION ACCOUNT, (NOT PERMANENT).

Shares in other undertakings, which may be retained or disposed of, at the option of this company as subscribers; per Schedule No. 3	£1,777,830
Amount authorized to be taken up under the powers of the various acts sanctioning the respective subscriptions, upon which amount this company guarantee an interest of 5 per cent. per annum, until they redeem the principal sum borrowed; for which loans the shares are deposited as an additional collateral security	1,700,000
Yearly interest on the said sum under the Great Western guarantee, at 5 per cent.	£85,000
Receipts:—	
Net tolls receivable at present on Stratford-upon-Avon Canal	£7,200
Assumed average return on capital subscribed for railways in course of construction—	
1,591,500 <i>l.</i> as per Schedule No. 3, at 3½ per cent. per annum	55,700
	62,900
Deficiency to be provided for on this account	£22,100

(C)—REVENUE ACCOUNT.

Great Western Lines.

The traffic receipts during twelve months ending on the 30th June, 1848, after deducting the revenue of the Bristol and Exeter Railway (under lease about to expire on 30th April, 1849), amounted to the gross sum of 822,746*l.*

These receipts were derived from 186 miles of railway, viz., 118½ Great Western main line, and 67½* Great Western branches, which had been opened during an average period of twelve months, the rate for the whole distance being 4,423*l.* per mile.

If the same average receipts per mile be assumed when the main railway from Oxford *via* Leamington and Warwick to Birmingham and the Staffordshire districts shall be opened, and when that additional traffic shall flow over the existing Great Western line and branches, the annual revenue of the 296½ miles of railway will amount to

£1,310,314	
Deduct working expenses, say 40 per cent.	524,314

Earnings	£786,000
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N.B. The locomotive plant now used on the Bristol and Exeter and the South Devon Railways will become available for working the additional distance of 97½ miles.

* The 4½ miles belonging to this company between Gloucester and Cheltenham were only opened on the 23d October, 1847, and the 25 miles between Reading and Hungerford on the 21st December, 1847, which reduce the average length to 67½ miles of branch lines, producing revenue during the twelve months.

Additional receipts:—

Rents (same amount as received in the year ending					
June, 1848)	£19,100				
Interest on balances	6,900				
					£26,000
					£812,000

(D)—GUARANTEE ACCOUNT.

Miles	<i>Leased Railways.</i>				
411½	Extension Lines, as per Schedule No. 3, viz.—				
”	South Wales Railway.				
”	Gloucester and Forest of Dean Railway.				
”	Oxford, Worcester, and Wolverhampton Railway.				
”	Wilts, Somerset, and Weymouth Railway.				
The traffic assumed to produce the same average sum per mile,					
as was received on the Bristol and Exeter Railway in the year					
ending 30th June, 1848, viz. £2,728 per mile.. .. .					
					£1,122,572
Deduct working expenses, say 40 per cent					449,072
					£673,500
Earnings					£673,500

CHARGES UPON INCOME.

Rents as per Schedule No. 3	£376,210				
The same rate calculated on the subscriptions of this					
Company, viz. :—					
£581,000 at 5 per cent	£29,050				
£776,000 at 4 per cent	31,040				
					*60,090
Total rent when the lines are finished ..	436,300				
Locomotive stock to work the above-mentioned rail-					
ways :—					
Cost £2,300 per mile, will require					
about	£950,000				
Interest, wear and tear, &c., 10 per cent.	95,000				
					531,300
Profit divisible between the lessor and lessee.. .. .					£142,200

(E)—GENERAL REVENUE ACCOUNT.

Receipts :—					
Great Western lines, as owners, per statement C	£812,000				
Leased railways (moiety of profit) ditto D	71,100				
					£883,100
Net earnings					£883,100

N.B.—This calculation does not include any progressive or other increase of traffic over the Great Western lines coming from its extensions, nor any additional receipt in respect of rents, &c.; although the directors feel, that as this company

* It will be perceived, that while the average reckoned for this company to receive as subscribers is only 3½ per cent. on £1,591,500, amounting to £55,700,—the sum which is here charged as rent, to which they will become entitled in respect of their subscriptions on leased lines (exclusive of other undertakings), exceeds £60,000 per annum.

must derive a considerable accession of income from such sources, they would have been quite justified in making a distinct allowance for it in this statement.

Deduct charges on income, viz. :—

Interest on mortgage loans 3,550,000 <i>l.</i> , (per statement A) estimated at $4\frac{1}{2}$ per cent. per annum ..	£159,750	
Annual deficiency (subscription account) per statement B	22,100	
	<u> </u>	£181,850
Balance disposable		<u>£701,250</u>

Dividend on £10,750,000 (per statement A) at £6 10*s.* per cent., equal to £698,750.

If an increase of gross revenue on the Great Western Railway be obtained of only £1,650 per week, or if the working expenses can be reduced to 37 per cent. (without any increase of traffic), the earnings will be sufficient to pay 7 per cent. to the Great Western shareholders on the estimated stock or share capital.

LONDON AND SOUTH-WESTERN RAILWAY.

THE attention of the Directors of the London and South-Western Railway Company has been called to various statements that have appeared in public prints, in relation to the affairs of the South-Western Railway.

Although these statements can hardly influence proprietors who take the trouble to investigate the half-yearly reports of this Company, together with the additional information usually given at the meetings of shareholders; yet, as they are calculated, in the present state of the public mind, to mislead and seriously alarm those who are not in the habit of analyzing figures, or of closely considering such subjects, the directors are desirous of placing before the proprietors, in as plain and concise a form as they can devise, such facts as may assist in arriving at a just appreciation of the value of the property.

In treating of this matter, it may be necessary to premise, that in order to relieve the proprietors as much as possible from the pressure of calls, the directors had come to the decision of suspending works which would require more than a year to complete (as the lines from Basingstoke to Salisbury, and from Farnham to Alton), and to confine their outlay to the completion of such lines as could be brought into profitable operation in the spring and summer of 1849. The following estimates have reference only to the latter :—

They now proceed to show—

- 1st. The powers of the Company to raise capital by shares and loans, the extent to which those powers have been

exercised, the sums already received, and the amount remaining to be received.

2nd. The sums expended to the present period, and the further sums required to complete the works actually in progress, and to meet all the absolute outstanding liabilities of the Company, for land, works, materials, and expenses of every kind.

3rd. The probable revenue and consequent dividend for the current half-year.

4th. The probable dividend, when the entire capital now proposed to be expended shall have become entitled to full participation in the profits.

FIRST.

The Company is empowered, by various Acts of Parliament (to 1847 inclusive), to raise capital by shares to the amount of ..					£7,434,050	
And by loans to the amount of					2,518,746	
Total powers					£9,952,799	
The amount in shares created is					£7,434,050	
Of which there remains unissued in the hands of the Company					485,204	
Total shares issued					£6,948,846	
Received on calls to October 21, 1848					£5,621,128	
Calls paid in advance					84,245	
Add nominal addition to capital in 1837, by 800,000l. in shares having been issued at 50 per cent. discount					400,000	
					£6,105,373	
Calls still to receive						£843,473
Received on loan					1,714,850	
Further power to borrow						803,596
Unissued shares						485,204
Amount received					£7,820,223	£2,132,573
Amount still to receive					2,132,573	
Total powers as above					£9,952,796	
There have been received, in addition to the above, deposits on new shares, created for the line from Salisbury to Exeter under the act passed in 1848. . . .					£170,708	

SECOND.

Total sum expended to 21st of October, 1848, in land, works, plant, and under every other head, is						7,326,262
The miles of railway open for traffic.					215	
The works which the directors are now engaged in forwarding to completion, with the expectation of bringing						

them into profitable working in the spring or summer of 1849, are the lines from—				Miles.
Guildford to Farnham	..	..	..	10
Guildford to Godalming	..	..	..	4
Extension line from Datchet to the town of Windsor				1½
The loop line to Brentford, Kew, and Hounslow				5
Hampton Court branch	2
				<hr/>
				22½ say 22

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To complete these (the only works now actually in progress), with their stations and necessary additional engines and carriages; to provide for payment to the Brighton Company for the half of the line purchased from Cosham to Portsmouth, and a moiety of the cost of a proper station at Portsmouth; to pay interest on unproductive capital, to 31st December, 1848; and to clear off all outstanding liabilities of every kind, will (after deducting the cash balance in hand applicable to capital) require, according to the most careful estimates that the directors have been able to obtain, the further sum of 745,441

Total £8,071,703

It will be observed that, while the powers of the company authorize them to raise a further sum of £2,132,573, it will only require £745,441 to complete and stock the lines which it is now determined to finish. And, though the larger portion of this money will be required during the next nine months, yet as some part of it may be deferred for a longer period, the directors hope, that by the calling up of arrears, by borrowing, and by making the two remaining calls on the Thirds Shares of 1846-7, in the same way as that of the 30th September, namely, —by giving “such shareholders as feel disposed an opportunity of paying, and of receiving a dividend in proportion to their payments,” sufficient funds for the required purposes will be obtained.

THIRD.

The probable dividend for the current half-year requires but a few remarks. The capital entitled to dividend to 31st December next, provided the whole amount of scrip thirds of 1846-7 issued come in previously for registration, will be £3,838,260, being an addition over the share capital entitled to dividend to 30th June last, of £1,303,200. This additional amount claims dividend at a very unfavorable period, from causes which will be adverted to hereafter. The ascertained revenue, however, up to the present time, leaves no room to doubt that a dividend of 5 per cent. on the above sum may be justly and properly declared, besides providing the interest of 7 per cent. on the scrip shares last issued, and the proportionate amount of interest on the debentures and

other fixed sums, chargeable against revenue in respect of the lines now opened.

FOURTH.

In proceeding to enquire into the probable dividend, when the entire capital proposed to be immediately expended shall have become entitled to share in the profits, the directors are desirous, in the first instance, to place before the proprietors a calculation founded (so far as circumstances admit) on ascertained facts; although these will be presented under every conceivable disadvantage, and will lead to the most unfavorable view that can possibly be taken of the result of the outlay.

It will be recollected, that the extension of the line from Nine Elms to Waterloo station was opened only on the 11th July of this year; the Windsor line, from Richmond to Datchet, on 22nd August; the line from Fareham to Cosham and Portsmouth, on October 1st; and that the advance in the rates of fares did not take place till the 1st October; consequently, there is only the traffic of the month of October which affords any actual data from which to judge of the effects of these important measures. It is, however, well known that on most lines of railway the revenue of the month of October presents very nearly the average of the whole year. On the South-Western Railway (making due allowance for partial disturbing causes), this rule has been found, on an average of many years, to prevail with so much exactness, that the directors propose to adopt it as the basis of the following calculations.

The receipts of the first four weeks of October, from the 215 miles of railway now in operation, were as follow:—viz.,

Week ending 8th October, 1848	..	..	..	..	£11,915	10	4
„ 15th „	..	..	..	..	10,942	16	1
„ 22nd „	..	..	..	..	10,281	7	7½
„ 29th „	..	..	..	..	9,813	9	9½
					£42,953	3	10
Say Mails not adjusted	..	..	..	..	360	0	0
					£43,313	3	10
Or, a weekly average of £10,828, say for 52 weeks	..	..	..	..	£563,056	0	0
Assume the product of 22 miles to be opened in 1849, to yield the same proportion	..	..	..	..	57,616	0	0
£11,936 per week, or for the year	..	..	..	..	£620,672	0	0
Deduct working expenses, 40 per cent.	..	..	..	..	248,268	0	0
Balance	..	..	..	..	£372,404	0	0

When the whole proposed outlay of £8,071,703 has been incurred, the capital account will probably stand thus:—

Received from shares	£6,071,703	0	0
Add nominal addition as before stated	400,000	0	0
Shares entitled to dividend ..	£6,471,703	0	0
Loans on debentures	2,000,000	0	0
	<u>£8,471,703</u>	<u>0</u>	<u>0</u>

The preference charges against revenue will be as follows:—

Interest upon 7 per cent. scrip ..	£11,949	0	0
4½ per cent. on loans, £2,000,000 ..	90,000	0	0
Interest on Exeter, Yeovil, and Dorchester, and Windsor shares ..	11,000	0	0
		<u>112,949</u>	<u>0 0</u>
Net Balance	£259,455	0	0

4 per cent. on £6,471,700 of share capital, would require £258,868.

No credit whatever is taken in the foregoing account for the large outlay incurred on objects beyond the 237 miles of railway in question, in works and land paid for on the lines on which operations are now suspended; nor for the large amount of property, consisting (on the Richmond and Metropolitan Extension lines alone of 327 houses) of land, houses, &c., which it has been found necessary to purchase on the various lines of the Company, amounting in value to not less than £250,000; nor for surplus rails, worth upwards of £50,000; all of which may be realized as proper opportunities offer, and the proceeds made available for the reduction of the bonded debt; nor for the rents hereafter derivable from the 264 arches of the viaduct from Nine-elms to the Waterloo-road.

It will be observed, also, that the preceding calculation of future income is based upon the receipts of October; the unseasonable weather of this month (eight days only out of the thirty-one having been fair) must, however, make the calculation founded upon it below the truth. If the inclement weather could be supposed to exist permanently,—if the general pressure arising from a succession of deficient harvests, political convulsions on the Continent, and commercial distress were to be perpetual,—if nothing whatever be hereafter realized from the large surplus property of the company,—if the opening of the most eligible metropolitan station were to have no increased effect on the revenue,—if the large extent of new lines just opened are to be assumed to have attained at once to full maturity, and, for the first time, the gradual but steady increase, which has hitherto attended all railways, were not to show itself in the future traffic of this line—then, according to the above estimate, the shareholders in this company would be obliged to submit to a dividend of little more than 4 per cent. per annum. Such a state of things

is not only improbable, but, judging from all experience, impossible; and the directors (still confining their views only to the 237 miles which will next year be in operation) beg briefly to remind the proprietors of some of the grounds, which have been stated on former occasions, on which they rest with undiminished confidence in the expectation of a far more prosperous issue.

Out of 215 miles of railway, from which the present revenue is derived, 83 miles have been opened within little more than twelve months, and 26 more not quite four months; a progressive annual increase may, therefore, be confidently anticipated, until the resources of these districts are fully developed.

The following statement of the traffic of the line from London to Southampton, from the first entire year of its opening, and for the five following years, will show, in some degree, the effect of time in augmenting receipts; though it is right to mention, that the fair comparison from year to year is somewhat disturbed by the opening of the line to Gosport (fifteen miles) in February, 1842, and of the Guildford branch (six miles) in 1845, neither of which, however, at those early periods, brought any large accession to the previous traffic, though some addition is, no doubt, attributable to these causes:—

Receipts from July 1, 1840, to June 30, 1841, gross £267,000				
Year ending June 30, 1842	..	..	..	294,000
„ June 30, 1843	..	..	..	316,000
„ June 30, 1844	..	..	..	331,000
„ June 30, 1845	..	..	..	350,000
„ June 30, 1846	..	..	..	373,000

The unusual wetness of the summer and autumn has thus far afforded scarcely any opportunity of exhibiting the effect which may hereafter be expected to be produced, by bringing Windsor, Staines, Ascot, Kew, Hampton Court, Kingston, Brentford, Wimbledon, Wandsworth, Twickenham, Richmond, &c., into close connexion with the enormous population of the metropolis, by the recent opening to the Waterloo-station; the directors will be hardly thought sanguine, if, in looking at the general attraction of those places, they should anticipate from these sources, in a few years, an amount of passenger traffic almost without precedent for the distance over which it will travel.

Improved economy in the working of railways is, also, without doubt, an important source from which increased net revenue is to be derived. The subject is daily better understood, and necessity compels attention to it. From the very low scale of fares and rates adopted by the South-Western Company for two or three years past, and from the frequency of trains, the per centage of their working expenses on gross revenue has been high; the raising of the rates will, of course, diminish this per centage,

as would also an increased traffic on the same number of miles. From these combined causes, and from the great diminution of the charge for maintenance of way, which will take place at the expiration of the contract in 1850, the directors have strong hopes that the working charges may, without diminishing public convenience, be brought down in a few years to 35 per cent. on the gross traffic.

Without dwelling too long on points with which the large body of the proprietors are probably familiar, the directors, with the full conviction of the hazard of dealing with the future, have yet no hesitation in placing the following prospective estimate before the proprietors, as one which they hope to realize at no distant period, if the country should again be blessed with its ordinary condition of prosperity; viz. :—

Traffic, 14,431l. per week, for 52 weeks	£750,412
Working expenses 35 per cent.	262,644
	<hr/>
	£487,768
Interest charges on revenue as in the former estimate ..	£112,949
Less interest at 4½ per cent. on 300,000l., assumed as realized out of the present unproductive assets of the company, and applied to extinguishment of the bonded debt to that amount	13,500
	<hr/>
	99,449
Net Revenue	<hr/> <hr/> £388,319

or 6 per cent. on the share capital called up of £6,471,703.

The increase of traffic required to effect this result will be £2,495 per week. It remains for the proprietors to consider how far this expectation, with the other conditions of the estimate (or their equivalents), may be reasonably entertained.

Having thus disposed of the four main branches of the subject, the directors proceed briefly to the notice of the remaining points of interest connected with the affairs of the South Western Company. As regards the lines recently in progress, but now suspended, it is not necessary here to discuss the policy which led to their commencement, since it has been the subject of consideration at various meetings of the proprietors, and has received their repeated sanction; for the present, it may suffice to remark, that though these undertakings, so long as they are incomplete, are necessarily unproductive, there can be little doubt that, at a future day, they will assume a value which does not now attach to them, and will cease to be a burthen upon the resources of the company. To that future day, it is probably most prudent that the further consideration of them should be postponed.

The proprietors were informed, at the last general meeting,

that no contracts had been entered into for proceeding with works upon any part of the line between Waterloo and London Bridges, and that the directors had no intention of proceeding without giving the proprietors the fullest opportunity of reconsidering the propriety of the measure; the same may be said in regard to the lines from Salisbury to Exeter. The directors have always been of opinion, that the construction of these lines would afford a great public convenience, complete an important chain of communication between the East and West, and also secure a large district of country—which appears naturally to appertain to the South-Western line—from the injurious interference of rival companies. Those opinions they still hold; but it is obvious that, in the present condition of railway property, they could not be urged forward to completion, without creating a pressure upon the proprietors so severe, as to counteract any future advantage that might be expected from them. The directors have, therefore, only to repeat the assurance that has already been given, that no further engagement in relation to those lines will be entered into, until the matter shall have been again formally submitted to the reconsideration of the proprietors, specially convened for that purpose; and until the whole of the shareholders shall have had an opportunity of recording their votes, and a decided majority shall have determined in favour of the prosecution of the undertaking.

The directors are not without hope, that the conferences which have recently taken place between the directors of the London and North-Western, the Great Western Companies, and themselves, may lead to arrangements which, without injury to the interests of the proprietors, will secure the convenience of the public.

In conclusion, while the directors would carefully guard against exciting hopes that the future may not realize, they would fail to do justice to the property under their guidance, were they not, on this occasion, to point out some of the undeniable advantages in the present position of the South-Western Railway Company:—

1. The expenditure may be limited to the sum already mentioned (£8,071,703), and the capital account speedily closed by the completion of those works now in progress, unless the proprietors should, at some future time, deem it expedient to extend their operations.

2. There are no positive guarantees or liabilities, whatever, of any comparative importance, in respect of lines actually commenced.

3. The amount of the debenture bonds of the company is unusually small, in proportion to the capital paid up and to the

net revenue; the company has always kept below its powers in this respect. There are no loan notes, promissory notes, or bills of any kind whatever afloat, or debts beyond ordinary current expenditure unpaid.

4. The line in possession of the South-Western Company is—with the exception of a small proportion of Windsor capital not yet purchased, and the line from Cosham into Portsmouth (four miles), held jointly with the Brighton Company—wholly its own; there are no tolls to pay to any other company; and, notwithstanding the heavy parliamentary expenses, the loss that may possibly arise from some of its engagements, entered into at a period of great excitement and difficulty, and the great cost of the two miles to Waterloo Station, it is still believed to be the cheapest line terminating in the metropolis, and occupies within it the most central position.

5. If the parliamentary expenses have been great, the outlay has been attended, on the whole, with marked success; it has driven off injurious competition, and has so fenced the line in all quarters, that any serious interference with its main traffic in the future is highly improbable. A friendly alliance has just been concluded with the Brighton Company, under the powers of an Act of Parliament, mutually beneficial to both companies, and the sanction of the proprietors of the South-Western Company only is required to give it permanence.

Lastly. The directors will venture to affirm that, taking all the foregoing circumstances into consideration, they are justified in coming to the conclusion that—though temporarily—the South-Western Company will be obliged to submit, in common with most other railways, to a reduction in its dividends, its position, both as respects its finances and its prospects, is one of peculiar safety; and that time, and a restoration of general prosperity, only are required to prove that the expectations they have deliberately expressed are well founded.

On behalf of the Court of Directors,

W. J. CHAPLIN,

November 8th, 1848.

Chairman.

YORK AND NORTH MIDLAND RAILWAY.

A GENERAL desire having been expressed by shareholders in railway undertakings for an explicit account of their financial position, the directors of the York and North Midland Railway, in compliance with that desire, beg to submit the following statement of the affairs of the company, and the extent of its

liabilities in respect of the works now in progress, and the completion of such as are at present in contemplation :—

The share capital of the company on which dividend is payable out of the revenue derived from the lines, comprising the whole of the consolidated stock, and the East and West Riding shares, on which the full amount is now called up, is 3,147,500*l.* Of this amount, however, 250,000*l.*, being 5*l.* per share on the East and West Riding capital, will not be entitled to dividend until next half year. The loan capital of the company is at present 1,023,931*l.*

The amount expended on the lines which have been constructed or purchased up to the present time, (including the sums advanced to the Hull and Selby Company to complete the lines under lease from them), is 4,290,415*l.* 8*s.* 4*d.*

These works being now very nearly completed, the amount to which the company will be liable in respect of them can be accurately stated ; and estimates have been prepared of the works required for the extension from Burton-Salmon to Knottingley, and for that which will connect the Market Weighton line with the Hull and Bridlington line near Beverley. The directors compute the amount which will be required for all these purposes (after deducting the value of the surplus land) at 330,000*l.*, making the gross expenditure of the company about 4,620,000*l.* The whole, when complete, will give to the company a total mileage of 211 miles (exclusive of the Hull and Selby lines under lease), at an average cost per mile (after deducting the sums advanced to the Hull and Selby Company as above mentioned) of 20,000*l.* per mile.

The directors having no present intention of constructing the other lines, for which powers have been obtained, the arrears of calls, together with the sum which the company has yet power to raise on debentures, will amply supply the amount required for meeting the expenditure above mentioned.

The directors estimate that the traffic to be derived from these lines and the lines under lease will produce a gross annual revenue of 520,000*l.*, being at the rate of 10,000*l.* per week, and that the working expenses will amount to 137,000*l.* The interest on debentures, including the sum which will have yet to be provided for the works before mentioned, will be 66,281*l.* per annum; and the annual rent of the Hull and Selby and Bridlington lines, together with the interest on debentures on those lines, is 76,572*l.* After deducting these charges, a net income of upwards of 240,000*l.* will remain applicable to dividends, being more than *seven and a half per cent.* on the amount of the share capital. The rate of interest at present paid on the debentures of the company is at an average of nearly five per cent. ; but the directors cannot anticipate that in future years it will amount to that per centage. It may fairly be hoped that in times of ordinary prosperity the loans will be replaced as they fall due at a rate of interest not exceeding four per cent.

The directors feel the greater confidence in their estimate of the produce of the traffic, when they compare it with the receipts of the last twelve months, during which the traffic on the lines of this company has suffered, not only from the commercial distress which has generally prevailed, but also from their peculiar character ; a considerable portion, being in a great measure, used as pleasure lines to Scarborough, Harrogate, Bridlington, &c.

The directors have much pleasure in stating, that they have made an arrangement with the Great Northern Railway Company, by which the two companies will have mutual advantage in working the traffic of that line between York and Doncaster, when the intended Knottingley extension shall be completed ; and the directors think they are not too sanguine in expecting that a very considerable amount of new traffic, both in passengers and minerals, will be thereby secured to this company, as the traffic from the districts through

which the Great Northern line passes will thus be brought to York over 21 miles of the main line of this company, and a considerable portion distributed on the branch lines.

Part of the traffic of the York and North Midland line, which was temporarily diverted to the lines on the western coast, previously to the opening of the bridges across the Tyne and Tweed, may now be expected to be regained.

A large source of traffic has also been recently opened, by the arrangement for the supply of coals from the north, at Hull, and for its shipment at that port.

The directors have still a confident hope that it will not be long before the undertaking resumes its former position, with regard to remuneration to the shareholders. They would remark that an average increase of 700*l.* per week in the receipts, which would not necessarily involve any material increase of expenditure, would yield 1*l.* per cent. additional on the share capital; and it affords them great satisfaction to know that the new lines—some of which were forced upon them by the competition of other parties—have placed this company beyond the possibility of sustaining injury by their traffic being diverted, as they are not aware that any line can possibly be constructed which will not tend rather to increase than diminish the business on their own lines.

The directors have subscribed 40,000*l.* to the Malton and Driffield line, but they have entered into no engagement with any other company.

The directors, having regard to the general interests and wishes of the shareholders, do not at present propose making any calls on the Hull and Selby purchase (Preference) Shares. The shareholders will have observed that the sum of 300,000*l.* appears in the last two half-yearly statements of account, as having been appropriated to the general construction account, on loan from that stock. The directors are of opinion that the interest on this sum ought not at present to be paid out of the revenue of the company, inasmuch as a large proportion of it has been applied on providing rails and other materials for the extensions about to be made, and the remainder in the construction of lines which are not yet productive to the company; and they are confirmed in this opinion, when they consider that the whole amount of interest with which the capital account of this company has hitherto been charged, is no more than 6,085*l.*

(By order) WM. GRAY, Jun., *Secretary.*

York, Nov. 14th, 1848.

YORK, NEWCASTLE, AND BERWICK RAILWAY.

IN accordance with the wish expressed by a considerable number of the shareholders in this railway, the directors have prepared the following statement, showing the present position of the company, and the estimate which, after careful consideration, they have formed of its present and future liabilities and prospects:—

The total amount expended in the works undertaken by the company, to the 1st November inst., is	.. .. . £5,375,483
The estimated amount of the gross sum which will be required for the completion of the works now in progress, and of the new works proposed to be executed, viz.:—the Washington, Kelso, Alnwick, and Warkworth branches, the Tyne and Tweed bridges, the Auckland Valley line, and the Tyne Docks;	

and including, also, the completion of the Pontop and South Shields purchase, and the Sunderland Dock subscription, is ..	1,869,228
Making the gross amount of the capital to be ultimately raised	<u>£7,244,711</u>
Or, in order to have a sufficient margin for contingencies, say	<u>£7,300,000</u>

It will be satisfactory to the shareholders to be informed that this amount of capital can be realized by calling up what remains unpaid on the extension shares, No. 1 and No. 2, and by exercising the powers of borrowing to the extent of £1,550,000, including the existing mortgage debt, which at present amounts to no more than £722,073.

When all the works shall have been completed, the aggregate length of the several lines of railway in the possession of the company will be 330 miles; and the directors calculate that the gross income they may fairly expect to derive from the whole will be not less than £1,040,000 per annum, which is after the rate of £20,000 per week.

This income will be subject to the following annual charges, viz. :—

For working expenses..	£300,000
For interest on borrowed capital, taken at £1,550,000, at 4½ per cent. . .	69,750
For rent payable to the Great North of England Railway Company, including interest on their debentures . .	151,400
For rent payable to the Hartlepool Dock and Railway Company, including interest on their debentures	39,880
Total	<u>£561,030</u>

Showing a clear annual profit of £478,970, which, after yielding a dividend of £7 per cent. per annum upon the share capital of £5,750,000, will leave a surplus income of £76,470.

In estimating the prospective gross income of the company at £1,040,000 per annum, the directors rely upon the following considerations:—The revenue now produced by the traffic upon the 270 miles of line at present in operation, is after the rate of about £720,000 per annum, or £13,846 per week. This, it must be remembered, is the produce of a year of severe commercial depression, during which the decrease of passenger traffic upon railways has been unprecedented. But there can be no doubt that the revival of commerce will restore that steady progressive improvement of railway traffic in all departments, which has been previously experienced. In the article of coal alone, the published returns show that the quantity exported from the ports of Durham and Northumberland during the last four years has increased after the rate of 45½ per cent. in that short period. The Auckland Valley line, which the directors propose to con-

struct immediately, will open out a rich coal field, and the directors confidently expect will prove in the highest degree productive. The formation of the Tyne Docks, and the completion of the Sunderland Docks, will afford vast facilities to the exportation of coal, and cannot fail to assist most materially in the development of that traffic which is now suffering considerably from the want of dock accommodation. The improvement of the general traffic of the lines by the opening of the bridges across the Tyne and Tweed, has not yet had time to exhibit itself to any extent; but that it will produce a very large accession of revenue, there cannot be the slightest doubt. Upon all these grounds, the directors feel great confidence in anticipating, that by the time the additional sixty miles of line shall have come into operation, the gross annual income will reach the amount at which they have estimated it.

It is not the intention of the directors, at present, to commence any of the works for which parliamentary powers have been obtained, besides those already referred to.

The proprietors are aware, that out of the money raised by the calls already made upon the guaranteed stock created for completing the purchase of the Great North of England Railway, a large sum has been passed by way of loan to the general construction account. This it is the intention of the directors to replace; but they do not propose to make any further calls upon the guaranteed stock for some time to come. They have little doubt that when the period arrives for completing the purchase, the holders of Great North of England stock will be content to accept the debentures of this company at a moderate rate of interest. Presuming such debentures to be taken, the calls already made upon the guaranteed stock of this company will then come into dividend; and, calculating that such dividend will be after the rate of £7 per cent., the amount of extra dividend and interest, thenceforth to be paid, beyond what is already charged, will be about £40,000 per annum, and this will be amply met by the estimated surplus income.

The directors are happy to state that their engagements with subsidiary undertakings are of trifling amount. This company has a collateral interest in the Sunderland Dock Company, to which the shareholders authorized the directors to subscribe. Parliamentary sanction has not yet been obtained for this subscription, in consequence of the requisite power having, from accidental circumstances, been omitted to be sought for last session, but in the ensuing session this will be remedied. Another undertaking to which the directors propose that the company shall contribute, is the Aberdeen Railway, and they

have agreed to recommend to the shareholders to subscribe for £50,000 of the Preferential Stock issued by that company. The directors think it highly expedient that this company should possess an interest in the lines on the eastern coast of Scotland, when they find competing companies using great exertions to secure the whole of the traffic north of Edinburgh.

Many of the proprietors are aware that the directors have entered into a provisional agreement for leasing the Newcastle and Carlisle, and Maryport and Carlisle railways, and a considerable number have intimated their disapprobation of the measure. The directors trust it is unnecessary for them to state that they would not embark in any new undertaking, unless they were persuaded that it would prove advantageous to the company. They do not, however, intend to press the acceptance of these leases upon the proprietors in opposition to their wishes, being quite prepared to take upon themselves the responsibility they have incurred on behalf of the company.

In conclusion, the directors beg to assure the proprietors that nothing can be more satisfactory to the board than the present position of the company, whether in reference to its traffic, or to the expense of working it; and they have no hesitation in expressing their unshaken confidence in the soundness and stability of the undertaking with the management of which they are intrusted. This confidence is founded upon their experience of the steadily-increasing traffic which every year has brought upon the lines, notwithstanding the check occasioned by the recent extraordinary commercial depression; and upon their conviction that, as a railway undertaking, the property is wholly unassailable—that no traffic can be abstracted from it by competing lines, and that an unfailing source of continually improving revenue is secured to it in the inexhaustible mineral wealth of the counties of Durham and Northumberland.

By order,

JOHN CLOSE,
Secretary.

York, Nov. 14th, 1848.

LANCASHIRE AND YORKSHIRE RAILWAY.

THE directors of the above line have issued the following statement:—In compliance with the prevailing desire for authentic information on the position and liabilities of railway companies, the directors of the Lancashire and Yorkshire Railway Company have prepared the following statement in reference to their undertaking. The following accounts show the extent of the company's liabilities and expenditure under four separate heads, viz.: 1. The lines opened for traffic; 2. The lines in progress; 3. The lines leased by the company; 4. The lines not yet commenced. The payments are all up to the 21st of October last. The estimated amount for completion includes a sufficient sum for additional stock for the new lines, and for the enlargement of stations on the old lines.

1.—THE LINES OPENED FOR TRAFFIC.

	Miles of Railway.	Paid.	Estimated Amount to complete. To pay.	Total cost.
		£	£	£
Manchester and Leeds Main Line, Oldham Branch, Heywood Branch, Halifax Branch, Stations, and Working Stock	56½	3,797,439	132,561	3,930,000
Ashton Branch, double line, including the intended Junction with the Huddersfield and Manchester Line at Stalybridge	6½	204,303	34,697	239,000
Oldham Extension Line and Mumps Station	1½	135,000	34,000 ^a	169,000
Manchester and Bolton Railway and Kearsley Branch, Stations by Act 1846, and Manchester and Bolton Canal (16 miles)	11	983,131	66,869 ^b	1,050,000
Heywood Extension Line, and Fork at Blue Pits	4¼	150,000	14,000	164,000
Wakefield, Pontefract, and Goole Main Line, and Askern Branch..	37½	650,000	70,000	720,000
West-Riding Union Line, Mirfield to Low Moor (including a portion of the Parliamentary expenses, viz., £67,000)	7½	230,150	79,850	310,000
	124½	6,150,023	431,977	6,582,000

^a A proportion of this amount is chargeable to the Oldham Alliance Company.

^b This amount includes the provision necessary to accommodate the merchandise traffic on the opening of the Liverpool and Bury line.

2.—THE LINES IN PROGRESS.

	Miles of Railway.	Paid.	Estimated Amount to complete. To pay.	Total cost.
Burnley branch, alterations at Bury (including Fork to the East Lancashire Railway at Bury).....	9	£ 257,691	£ 190,309	£ 388,000
Ardwick branch	1½	110,829	14,171	125,000
Methley branch (including work done on the Oakenshaw branch).....	5½	48,275	65,725	114,000
Liverpool and Bury Railway, viz.— Main line, Tythebarn-street Extension, a and Liverpool station	28½	1,001,206	473,794	a a 1,475,000
Liverpool Dock branch b	1	100,000	25,000	125,000
Huddersfield and Sheffield Railway, viz.— Main line, Holmfirth branch, half of line from Paddock to Huddersfield, and Huddersfield station.....	15½	500,572	229,428	730,000
West Riding Union Railway, viz.— Low Moor to Bradford, Low Moor to Halifax, and station and work at Leeds (including the balance of parliamentary expenses, viz., £107,000)	11½	316,916	620,084	937,000
Manchester, Wigan, and Southport Railway—Wigan contract (including the whole of the parliamentary and other expenses prior to obtaining the act)	3	162,664	62,336	225,000
Working stock for new lines, interest on unproductive expenditure, and contingencies	0	252,000	300,000	552,000
	76½	2,750,153	1,920,847	4,671,000

a The land part purchased, but the works not yet contracted for.

a a Contribution of the East Lancashire Company not included.

b The land purchased, but the works not yet commenced. (Under the control of the East Lancashire Company.)

3.—LINES LEASED BY THE COMPANY.

Proportion of Rent and Interest, payable by the Lancashire and Yorkshire Railway Company.

The North Union	£32,443
Preston and Wyre, average annual payment for the next three years (Both these lines are leased jointly with the London and North-Western Company. The Lancashire and Yorkshire Company have 34-94ths of the North-Union, and 2-3rds of the Preston and Wire.)	32,049
Sheffield, Barnsley, and Wakefield Railway, ten miles in length, 5 per cent. on £260,000	13,000

Guarantee will not take effect until 1850, conditionally on the line being then completed.

4.—THE LINES NOT YET COMMENCED,

In which the Company have an interest, either wholly or in part, and which will not be made without the authority of the Shareholders.

	Miles of Railway.	Paid.	To pay.	Total.
		£	£	£
Middleton Branch	1½	1,690	35,460	37,150
Bacup Branch	8½	2,556	178,788	181,344
Coal Branches, and Holmfirth Branch Extension	7½	1,000	113,620	114,620
Remainder of the Manchester and Southport Line	41	1,500	406,539	408,039 ^a
Remainder of the West Riding Union Line	26	..	753,000	753,000
Oldham Alliance	22	26,552	123,448	150,000 ^a
Liverpool, Manchester, and New- castle Junction	52	17,741	115,592	133,333 ^a
	158½	51,039	1,726,447	1,777,486

^a These amounts represent the company's contributions, the remaining capital being found by independent parties. £

From accounts Nos. 1 and 2, the past payments amount to .. 8,900,176
Leaving to be paid, fully to complete the lines opened and in progress 2,352,824

£11,253,000

—for which the company will possess 200 miles of railway and 16 miles of canal; and in right of the three lines leased by the company, they will have the use of 59 miles more. The total amount of expenditure on the West Riding Union lines now in progress, including the whole of the parliamentary expenses, viz., 174,000*l.* will be 1,247,000*l.*; or should the proprietors hereafter determine to make the line from Bowling to Leeds, the additional nine miles of railway would increase that amount by 320,000*l.*, leaving a total expenditure on the West Riding Union railways, in that event, of 1,567,000*l.* for about 28½ miles of railway. The company's acts authorize an expenditure of 2,666,666*l.* on the lines in this locality. With regard to the lines classed in Statement No. 4, one general observation may suffice. They will not be executed unless the proprietors should think fit to authorize them. There is one line, however, in this class, viz., that portion of the Manchester and Southport Railway from Pendleton to Wigan, involving an outlay of 310,000*l.*, to the early completion of which the directors attach the utmost importance. The 74 miles of old line belonging to the company—comprising the Manchester and Leeds and Manchester and Bolton lines proper and their branches, produced, for the twelve months ending June last, 440,000*l.* of gross traffic, or 6,000*l.* per mile per annum, being more than double the average mileage traffic of all the railways in England. Some of their new lines, as the Liverpool and Bury for instance, are not inferior in position, nor in the importance of the towns served by them, to the old lines.

FUTURE CALLS.

Calls will be required for three purposes :—

1. To pay off "Loans in anticipation of calls," subject to the provisions of Mr. Gladstone's Act of 1844, for which the remaining calls and arrears on the Manchester and Leeds 100*l.*, 50*l.*, and 25*l.* shares, are answerable, and will be required in the amounts and at the dates following :—

Manchester and Leeds.

		£100				£50				£25		
Now called		£86	0	0	..	£43	0	0	..	£17	10	0
1849. February		0	0	0	..	3	0	0	..	0	0	0
" March		6	0	0	..	0	0	0	..	3	0	0
" July		6	0	0	..	3	0	0	..	3	0	0
1850. April		2	0	0	..	1	0	0	..	0	0	0
1851. January		0	0	0	..	0	0	0	..	1	10	0
		<hr/> £100 0 0				<hr/> £50 0 0				<hr/> £25 0 0		

2. To pay off mortgages capitalised in the creation of fifth shares, or so much of the same as may fail to be renewed. Upon this point there can be no certainty; but the directors wish to observe that, during the last twelve months, they have succeeded in renewing at least one-half of the loans from time to time falling due; and supposing the extreme case of no future renewals being obtained, the calls upon the fifths would extend over a period of five years, viz.:—1848, 20*s.*; 1849, 32*s.* 6*d.*; in 1850, 40*s.*; 1851, 50*s.*; 1852, 50*s.*; and in 1853, 27*s.* 6*d.*, per share.

In the above cases, it should be observed that the capital account of the company will not be increased, except to the extent of 15*s.* 5*d.* per share on the fifths shares, which will be applicable to new works. Should one-half of the fifths mortgages be renewed, it is estimated that a call of 20*s.* per annum, for the next three years, will be sufficient to cover the repayments.

3. To meet future payments for works embraced in statements Nos. 1 and 2. From those statements, it will be seen that the total amount required for the completion of lines already opened or in progress is 2,352,824*l.*, towards which the company will have the following resources, viz.:—

Calls on Manchester, Bolton, and Bury shares	£ 43,407
" Manchester and Leeds fifths, 15 <i>s.</i> 5 <i>d.</i> per share ..	92,334
" Manchester and Leeds Extension shares, proportion applicable to works in progress	377,863
" Manchester and Leeds six per cent. preference shares, issued	187,662
" Liverpool and Bury shares	133,420
" Huddersfield and Sheffield shares	74,060
" West Riding Union shares, proportion applicable to works in progress	412,976

Arrears of calls past due	341,000
	<hr/>
	1,662,722
Less calls for the above objects, paid in advance	20,000
	<hr/>
	1,642,722
Balance to be raised by mortgages or otherwise	710,102
	<hr/>
Total	£2,352,824

The mortgage powers of the company not yet exercised, are more than adequate to cover the above balance.

List showing the probable Amount of Calls to meet the foregoing objects, which must, however, be taken as subject to modification, from time to time, by the Directors.

	Manchester, Bolton, & Bury.	Manchester and Leeds.	Liverpool and Bury.	Huddersfield and Sheffield.	West Riding Union.
	£100	£32	£50	£50	£20
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Now Called ..	93 0 0	13 0 0	43 0 0	43 0 0	7 0 0
1849. January.	0 0 0	0 0 0	0 0 0	4 0 0	0 0 0
„ February	0 0 0	2 0 0	3 0 0	0 0 0	1 0 0
„ March ..	0 0 0	0 0 0	0 0 0	0 0 0	1 0 0
„ July....	5 0 0	1 10 0	3 0 0	3 0 0	0 0 0
„ October.	0 0 0	1 10 0	0 0 0	0 0 0	1 0 0
1850. March ..	0 0 0	1 5 0	0 0 0	0 0 0	1 5 0
„ April ...	2 0 0	0 0 0	1 0 0	0 0 0	0 0 0
„ Septem..	0 0 0	1 0 0	0 0 0	0 0 0	1 0 0
1851. January.	0 0 0	1 0 0	0 0 0	0 0 0	1 0 0
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	100 0 0	21 5 0	50 0 0	50 0 0	13 5 0

GENERAL SUMMARY.

TABLE No. 1.—Present position of Loan Account.

Total amount of present bond and mortgage debts ...	£2,406,484
viz. :—	£
Bonds	503,812
Mortgages capitalised in the fifths shares ...	1,225,444
	<hr/>
Amount of loans covered by shares issued ...	1,729,256
Mortgages covered by 7,021 fifths shares, not issued	140,420
Balance of mortgages not represented by shares	536,808
	<hr/>
Total amount of mortgages not covered by shares issued	677,328
	<hr/>
Total debt	£2,406,584

TABLE No. 2.—Estimated position of the capital account at the end of the year 1855, assuming one-half of the mortgages represented by fifths shares issued, to be renewed and other calls to be made, as shown in the tables preceding.

Total capital to complete lines opened and in progress,	£
(see statement Nos. 1 and 2)	11,253,000
Payments on account of projects not yet commenced, (see statement No. 4)	51,039
	<u>11,304,039</u>
Viz:—Share capital	9,088,717
Mortgages covered by shares issued, £833,111	
Mortgages not covered by shares issued	1,387,211
	<u>2,220,322</u>
	<u>11,304,039</u>

LANCASHIRE AND YORKSHIRE SHARE ACCOUNT.—A.

Receipts.

From East Lancashire and Lancaster and Carlisle shares, which became the property of the Lancashire and Yorkshire Company, and were sold in pursuance of the agreements with Manchester, Bolton, and Bury, the North Union, and London and North Western Companies	£
Balance	65,523
	<u>43,081</u>
	<u>108,604</u>

Payments.

	Premiums & Interest.	Discount.	Calls.	Total.
For premiums on Manchester, Bolton, and Bury fractions in allotments ..	£ 1,087	£ ..	£ ..	£ 1,087
For 923 Liverpool and Bury shares ..	34,436	..	10,038	44,474
For 2,282 Manchester and Leeds Extension shares	5,507	..	19,150	24,657
For 60 Huddersfield and Sheffield shares <i>a</i>	662	..	2,280	2,942
For loss on Preston and Wyre shares	1,116	..	..	1,116
For 150 Oldham Alliance shares <i>a</i> ..	..	91	300	209
For 6,448 Manchester and Southport shares .....	..	10,700	20,311	9,611
Total expended on shares connected with this company	42,808	10,791	52,079	84,096
For 500 Huddersfield and Manchester shares	2,493	..	15,000	17,493
For 2,000 Liverpool, Crosby, and Southport shares	15	..	7,000	7,015
	<u>45,316</u>	<u>10,791</u>	<u>74,079</u>	<u>108,604</u>

a Purchased for the purpose of qualifying directors to represent the Lancashire and Yorkshire Company.

SHARE ACCOUNT.—B.

Shares not issued, including all of Doubtful Ownership.

7,021	Manchester and Leeds 20 <i>l.</i> shares	..	..	..	£140,420
384	" " " 32 <i>l.</i> shares	..	..	..	12,288
30	Wakefield, Pontefract, and Goole 25 <i>l.</i> shares	..	..	..	750
4,808	West Riding Union 20 <i>l.</i> shares	..	..	..	96,160
17	Liverpool and Bury 50 <i>l.</i> shares	..	..	..	850
26,787	Guaranteed 6 per cent. 10 <i>l.</i> shares	..	..	..	267,870
Total					<u>£518,338</u>

By order of the Directors,

Manchester,
Nov. 10*th*, 1848.

J. S. HERON,
Secretary.

Added to this financial statement, there appears a report from the committee of shareholders, who are inspecting the position of the company. This report states that they are still engaged in examining the company's accounts, having the assistance of an accountant. With regard to the works of the company, it recommends the completion of the Bradford contract, extending from Low Moor, and connecting the Cleckheaton branch and all the other lines from Manchester and Liverpool on the west, and Wakefield and Goole on the east, with that important town and neighbourhood, and the suspension of all works on the Halifax contract, which embrace the line from Low Moor to Halifax and Sowerby Bridge, and which, when completed, will make the shortest line of railway communication between the eastern and western termini, or the important districts of Lancashire and Yorkshire. The report concludes with the expression of a very favourable opinion as to the future prospects of the company, and recommends the exercise of a just and proper economy.

MIDLAND RAILWAY.

ACCORDING to public announcement, the directors of the Midland Railway Company have prepared the following tabular statement for circulation among the shareholders, with a view to exhibit—

1. The stock, share, and loan capital.
2. The cost of lines producing revenue, and of working stock.
3. The probable cost of lines in course of construction, not producing revenue.
4. Lines guaranteed and leased by the company.
5. Lines in which the company is interested by subscription.
6. Lines for which Acts of Parliament have been obtained, but which are not under contract.
7. Summary of capital to be provided by the company.

No. 1.—STOCK, SHARE, AND LOAN CAPITAL.

Midland Consolidated Stock, including 25,000*l*.

Midland Preferential Stock, guaranteed a minimum of 6 per cent.	£6,580,786	13	4
77,246 50 <i>l</i> . shares... ..	3,862,300	0	0
Birmingham and Derby Consolidated Stock	978,533	9	0
	£11,421,620	2	4

In the above is included the nominal addition to capital, from shares issued at a discount by the three companies, previous to the amalgamation... 627,463 0 0

The amount uncalled or in arrear, including the Bristol and Birmingham shares 2,602,615 17 10

Proportion of stock and share capital actually received £8,191,541 4 6

Amount of debentures, loans, &c. £3,766,419 0 0

N.B.—In addition to the above, the company hold 9,007 shar of 40*l*. each, not yet issued, amounting to 360,280*l*.

No. 2.—COST OF LINES PRODUCING REVENUE, AND OF WORKING STOCK.

NAME.	Miles.	Total Expenditure to October 24, 1848.	Estimated Amount required to complete Land and Works of Roads and Stations.	Total.
		£	£	£
Midland, viz.:—North Midland, Midland Counties, and Birmingham and Derby....	181½	9,602,149	384,245	10,076,394
Nottingham and Lincoln Railway, including Southwell Branch	36			
Syston and Peterborough Line, including purchase of Oakham Canal	48½			
Nottingham and Mansfield Line to Kirkby..	12½			
Mansfield and Pinxton Line	7½			
Ashby Canal and Tramways				
*Working Stock, including Engines, Carriages, Waggon, &c., Stationary Engines, Tools, &c.		1,672,265	30,000	1,702,265
	285½	11,364,414	414,245	11,778,659

* The outlay of £1,702,265 for locomotive engines, carriages, waggon, &c. is to provide for the working of the main line and branches, comprising a total of 498 miles. This will give an average of £3,418 per mile, not by any means an excessive amount, considering the peculiar character of the line, and the proportion which the heavy traffic bears to the other receipts.

No. 3.—PROBABLE COST OF LINES IN COURSE OF CONSTRUCTION,
NOT PRODUCING REVENUE.

NAME.	Mile.	Total Ex- penditure. to Oct. 24, 1848.	Estimated Amount re- quired to com- plete Works of Roads and Stations.	Total.
		£	£	£
Leicester and Swannington Improvements, Extensions, and Branches	23½	391,796	321,000	712,796
Erewash Valley, Extension to Pinxton	1½			
Erewash Valley, Extension towards Clay Cross	2½			
Mansfield and Pinxton, widening and im- proving	—			
	27½			

The directors expect the Leicester and Swannington to be finished in the spring of next year; and that part of the Erewash Valley under contract, and the Mansfield and Pinxton Railway, in the autumn.

No. 4.—LINES IN WHICH THE COMPANY IS INTERESTED BY
SUBSCRIPTION.

NAME.	Length in Miles.	Total subscription.	Amount paid.	Probable Amount still to be called.
		£	£	£
Manchester, Buxton, and Matlock Junction 14,250 shares of £16 each*	12	228,000	57,000	21,000
South Staffordshire, 6,000 shares of £12 each†	23½	72,000	39,000	12,000
Manchester and Lincoln Union Railway and Canal Company from Staveley to Worksop, 7,500 shares of £8 2s. each‡	—	60,750	30,750	nil.
South Devon, 1,000 shares of £50 each, and 1,000 preference shares of £25 each§	57	75,000	75,000	nil.
	92½	435,750	201,750	33,000

* It is proposed at present to continue this line only to Rowsley, 12 miles from Ambergate, for which £21,000 additional from this company will be sufficient—viz., £14,000 in 1849, and £7,000 in 1850.

† A further call of £2 per share will, it is believed, complete this line.

‡ This has become part of the Manchester, Sheffield, and Lincolnshire Railway and Canal Company; it is understood that no further calls will be made.

§ These shares came into the possession of the company through the purchase of the Bristol and Birmingham Railway.

No. 5.—LINES GUARANTEED AND LEASED.

NAME.	Length.	Capital.	Rate of Guarantee.	Amount of Dividend per Annum.
		£ s.		£ s. d.
Sheffield and Rotherham	9½	150,000 0	6 pr ct. perp.	9,000 0 0
Frewash Valley	21½	145,000 0	6 pr ct. min.	8,700 0 0
Bristol and Birmingham	95½	*1,799,902 15	6 pr ct. perp.	107,994 3 3
Leicester and Swannington ..	16	140,000 0	8 pr ct. perp.	11,200 0 0
Leeds and Bradford	43	900,000 0	10 pr ct. perp.	†90,000 0 0
	185½	3,134,902 15		226,894 3 3

* The sum received and receivable on account of the Bristol and Birmingham Stock is only £1,744,420, owing to the issue of some of the shares at a discount.

† Only 5 per cent. is payable for the present half-year, but the full dividend will be due in July, 1849.

No. 6.—LINES FOR WHICH ACTS OF PARLIAMENT HAVE BEEN OBTAINED, BUT WHICH ARE NOT UNDER CONTRACT.

NAME.	Amount authorized by Act.			Expenditure-§
	In Stock and Shares.	By Loans.	Total.	
	£	£	£	
Extension from Leicester via Bedford to Hitchin, and to Northampton and Huntingdon	2,250,000	..	2,250,000	nil.
Frewash Valley Extension to Clay Cross*	230,000	..	230,000	nil.
Enlargement of Masborough and Normanton Stations	34,000	..	34,000	nil.
Birmingham Extension	80,000	..	80,000	nil.
Nottingham and Lincoln Extension at Lincoln .	33,025	..	33,025	nil.
Ripley Line and Branches, Junction at Long Eaton, Masborough and Rotherham Junction, Cinder-hill Branch, Coal Station at Derby, and enlargement of Derby and Burton Stations	93,000	31,000	†124,000	nil.
Gloucester and Stonehouse	110,000	..	110,000	nil.
King's Norton and Hales Owen	130,000	43,300	173,000	nil.
Clay Cross and Newark†	580,000	..	580,000	nil.
Leicester and Nuneaton.....	360,000	..	360,000	nil.
Burton to Nuneaton	656,000	..	656,000	nil.
	4,556,025	74,300	4,630,325	

* 2½ miles under construction, to connect the Frewash Valley with the Mansfield and Pinxton, the cost of which is included in Table No. 3.

† Of this sum 18,310l. 16s. 1d. is to be found by other parties, if the lines are made, powers having been taken only for their accommodation.

‡ The branch to Southwell (2½ miles) has been made, and the cost is included in that of the Nottingham and Lincoln Railway.

§ The engineering and parliamentary expenses incurred in obtaining these different Acts of Parliament, and in opposing hostile schemes, are charged to the general account.

No part of these works will be undertaken without the previous sanction of the proprietors. A pledge to this effect was given at the last half-yearly meeting.

The Leicester and Nuneaton Railway Act contains powers for the London and North Western and Midland Companies to purchase the railway, either together or separately. The directors are of opinion that it ought to be wholly in the hands of this company; and they have so agreed with the London and North Western Company, subject to the sanction of the shareholders. Although the Act contains powers to raise 360,000*l.*, the line from Leicester to Nuneaton is estimated to cost only 250,000*l.*

No. 7.—SUMMARY OF CAPITAL TO BE PROVIDED BY THE COMPANY.

NAME.	Expended to Oct. 24th, 1848.	Estimated Amount required to com- plete.	Total.
	£	£	£
Lines producing revenue, including plant for main line and branches. (See Table No. 2)..	11,364,414	414,245	11,778,659
Lines in course of construction. (See Table No. 3)	391,796	321,000	712,796
Subscriptions to other companies. (See Table No. 4)	301,750	33,000	234,750
	11,957,960	768,945	12,726,205

It will be seen, on reference to Table No. 7, that the amount of capital required to complete the main line and branches, with the subscriptions to other companies, is 768,245*l.*

To meet this outlay, the company have the power of

making calls, which, with the arrears, will amount to £2,602,615
9,007 shares, of 40*l.* each, not yet issued... .. 360,280

£2,962,895
Deduct for completion of main line, branches, &c. ... 768,245

Balance available for repayment of loans £2,194,650

When the lines now in course of construction are completed, the company will possess 498 miles of railway, 30 miles of canal, and 13 miles of tramway, under its own control; and a pecuniary interest in 92½ miles of railway, the traffic of which is likely to increase that of the main line.

In looking at the future prospects of the company as to dividends, the directors give the following facts for the guidance of the shareholders :—

The average receipt per mile per annum for the year					
ending ...	...	...	...	...	June 30, 1844 was £2,426
"	"	"	"	"	1845 " 2,948
"	"	"	"	"	1846 " 3,391
"	"	"	"	"	1847 " 2,702
"	"	"	"	"	1848 " 2,623

The estimated average receipt per mile per annum required to pay 6 per cent. when the works under contract are completed and paid for, is about 2,850*l.*

In considering the probability of an increase of 230*l.* per mile per annum, as compared with the average mileage receipt of the year ending June 30, 1848, it is necessary to bear in mind that more than 153 miles of railway have been opened by this company since Midsummer, 1846, and a considerable portion within a few months only; that the traffic of a district is not thrown all at once upon a railway, but that it requires some years for its development; that the traffic of this railway has suffered severely from the depression which has been felt in all departments of commerce; that it has also suffered from the abstraction of traffic, caused by the opening of the Trent Valley, Caledonian, Great Northern, and other lines; but it is hoped that a general revival in trade, and the opening of the East Lancashire railway to Colne; the Manchester, Sheffield, and Lincolnshire, from New Holland and Great Grimsby to Lincoln; the Matlock and Midland to Ambergate; and the South Staffordshire Junction with the Birmingham and Derby—all of which are within a few months of completion—will enable the company to realize the above increase.

(By order of the board of directors)

J. F. BELL, *Secretary.*

Derby, Nov. 17th, 1848.

EASTERN COUNTIES RAILWAY,

THE directors of the Eastern Counties Railway Company, in compliance with the wishes of many of the shareholders, publish the following statement in relation to the present and prospective financial position of that company.

They have endeavoured so to class the expenditure and liabilities of the company, as to render easily intelligible a complete view of the company's affairs.

Table A is a statement of all the capital of the Eastern Counties' Company raised, or requiring to be raised, to complete all works in hand, and discharge all liabilities, upon which interest and dividends will have ultimately to be paid out of the net revenue. In this table is stated the utmost liabilities of the company, if no new lines or works be undertaken. The amount of these liabilities, after crediting the realizable assets, is treated as so much additional capital to be raised by loans. The company has power to construct additional branches, but these will be proceeded with only under the express direction of

the shareholders. In the meantime, no expenditure upon them, beyond procuring the Acts of Parliament, has taken place. It is therefore unnecessary to enumerate them.

Table B is a statement of the financial position of the Norfolk Railway Company, amalgamated by agreement with the Eastern Counties Railway Company. It is made up on like principles to table A. This company's authorized new branches, not commenced, will be suspended in like manner to those of the Eastern Counties Company.

Table C is a summary of the capitals of the Eastern Counties and Norfolk Railway Companies, drawn from the tables of detail A and B.

Table D is a statement of the probable revenue of the company, with the anticipated amount of working expenses, and the fixed charges of guaranteed interest upon the same; the net surplus being applicable to dividend upon the consolidated stock of the two companies.

TABLE A.

Eastern Counties Railway Company's consolidated stock, including all York Extension shares, registered or entitled to be registered £5,886,980

N.B. This includes a bonus capital of £1,087,000.

Northern and Eastern capital, guaranteed 5 per cent. perpetual £920,800
Ditto, guaranteed 6 per cent. perpetual 269,600

1,190,400

Eastern Counties extension stock, Nos. 1 and 2 1,920,000

Eastern Counties 5 per cent. York Extension converted capital 43,920

Eastern Counties 6 per cent. perpetual stock 675,920

Total share capital carrying fixed interest or dividend ... £9,717,220

Amount of Eastern Counties debentures and bonds, issued for Eastern Counties Railway Company £820,616

Ditto advanced to Norfolk Company 30,000

850,616

Balance of liabilities beyond assets, to be discharged at various periods during next year, including 50,000*l.* for contingencies beyond all known liabilities 283,757

Total share and loan capital and liabilities £10,851,593

N.B.—In arriving at the balance of liabilities remaining to be paid as above, credit has been taken for the following items, viz. :—

Cash in hand, and call on 6 per cent. stock £151,365

Balance of that stock remaining unissued at par 38,340

Estimated amount of realizable surplus property, and for debts due from sundries, and from the Norfolk Company 136,800

Arrears due on York Extension shares	60,120
	<u>£386,625</u>
Total liabilities	£670,382
Deduct assets as above	386,625
	<u>£283,757</u>

There remain outstanding beyond these items a few assets, such as further surplus property, estimated at 30,000*l.*, &c. The net amount receivable from these further assets will diminish *pro tanto* the balance of liabilities above debited to capital; but being uncertain, and difficult or tedious to recover, they have not been valued as producing any fixed amount.

TABLE B.

Norfolk Railway Company's Consolidated Stock, including the aggregate of the 8,707 new £20 shares which have been registered, and are being called up...	£1,040,390
Norfolk Company's Guaranteed Five per Cent. Stock ...	300,000
Norfolk Company's Guaranteed Five-and-a-half per Cent. Stock	105,000
Norfolk Company's Waveney Valley Shares, Guaranteed Five per Cent. when duly registered	36,980
Lowestoft Company Guaranteed Six per Cent. Stock ...	120,000
Lowestoft Company Guaranteed Four per Cent. Stock, with equal participation in surplus profits	120,000

Total share capital carrying fixed interest on dividend	£1,722,370
Amount of Norfolk and Lowestoft Companies' Debentures	507,500
Further liabilities to be paid in order to close the capital account, including Fakenham branch, and Lowestoft Harbour, and debt to Eastern Counties Company for advances	£186,178
Less the amounts due from calls to be made, and arrears of calls, &c., on above capital	£113,485
Surplus property realizable	15,000
Total available assets	<u>128,485</u>
Remaining to be paid	<u>57,693</u>
Total share and loan capital and liabilities of Norfolk Company	<u>£2,287,563</u>

N.B.—The Eastern Counties Company have a guarantee, that the amalgamated capital of the Norfolk Company shall not exceed 2,300,000*l.*

TABLE C.

Total Eastern Counties Consolidated Stock entitled to dividends	... ..	£5,886,980
Total Norfolk Company's Consolidated Stock when paid up.	N.B.—87,070 <i>l.</i> not yet paid up	1,040,890
		<u>£6,927,370</u>

This joint capital, divided into 20*l.* shares, amounts to 346,368 shares.

EASTERN COUNTIES' GUARANTEED STOCKS.

Northern and Eastern	... ..	£1,190,400
Extension Nos. 1 & 2	... ..	1,920,000
Converted York Extension Capital	... ..	43,920
Six per cent. Perpetual Stock	... ..	675,920

NORFOLK COMPANIES GUARANTEED STOCKS.

Guaranteed Five per cent Stock	... ..	£300,000
Ditto Five-and-a-half ditto	... ..	105,000
Ditto Five ditto, when registered	... ..	36,980
Ditto Lowestoft six per cent. ditto	... ..	120,000
Ditto Ditto, Four per cent.	... ..	120,000
Debenture Bonds of Eastern Counties' Company	... ..	850,616
Liabilities of ditto	... ..	283,757
Debenture Bonds of Norfolk Company	... ..	507,500
Liabilities of ditto	... ..	57,693

Total Capital of Eastern Counties and Norfolk Railway Companies, inclusive of £1,087,000 of bonus capital, as before mentioned £18,189,156

When the Harwich branch and pier shall have been completed, (to cost not exceeding £153,000 for a single line), the Eastern Counties Company have agreed to lease this branch at 4½ per cent., and half profits.

TABLE D.

The total receipts for the current half-year will, it is expected, exceed 400,000*l.*; but looking at the additional mileage recently opened, and to be opened,—at the further natural development of the traffic through agricultural districts, which experience shows is of slow but steady growth,—and at the great and unprecedented depression in the present trade of the country, it is considered that the income for the year commencing July, 1849, will be not less than 940,000*l.*; and it is to be anticipated that this revenue will be susceptible of increase. A deduction of 350,000*l.* per annum for working expenses, will be found, it is hoped, to exceed what those expenses will be actually reduced to, by the economy which will be constantly exercised in every department of the undertaking. The guaranteed interest on the Northern and Eastern capital, and on the Eastern Counties' and Norfolk stocks, debentures, and liabilities, will, as

appears by reference to tables A and B, amount in the aggregate to 320,548*l.* The net surplus will be applicable to dividend.

N B.—It will be found that in the above sum of 320,548*l.*, interest at 5 per cent. has been charged on all the borrowed capital and liabilities. Any saving upon that rate will tend to increase the dividend.

During the current half-year a considerable portion of the capital will be unproductive, and during next half-year the same will be the case, and the interest on that portion will not, therefore, be chargeable to revenue; but due allowance has been made in the liabilities for providing this interest. The calculations of revenue, and the full charges upon it, before referred to, will therefore take date from July, 1849.

When the dividend on the 20*l.* shares exceeds 5 per cent., then 920,800*l.* of the Northern and Eastern capital has the right to participate equally and rateably in the dividend beyond 5 per cent.

When the dividend on the 20*l.* shares exceeds 6 per cent., 269,600*l.* further of the Northern and Eastern capital, and 675,920*l.*—the amount of the 6 per cent. perpetual stock—will have the right to participate equally and rateably in the dividend beyond 6 per cent.

It is impossible not to foresee that, at intervals in a series of years, the net revenue will be called upon to contribute more than ordinary sums for the replacement of the perishable portions of the permanent way and working stock. The only practicable method of dealing with this contingency is the creation of a depreciation fund, if the proprietors think fit; or to leave the shareholders of the day, when the extra outlays are made, to bear them.

OBSERVATIONS ON THE ABOVE TABLES.

It will be observed that, exclusive of 87,070*l.* to be called up on certain Norfolk Company's shares, the entire amount of further capital required by both the Eastern Counties and Norfolk Companies will not exceed 355,000*l.*, a sum which may be reduced by receipts from further surplus property, &c. This amount will be required in various sums over next year; a large portion being liabilities for working stock not yet delivered, and for property not yet conveyed to the company.

The total number of miles of railway belonging to the Eastern Counties Company, after the entire expenditure of the capital comprised in the summary Table C, will be 322 miles. Neither the Eastern Counties Company nor the Norfolk Company has subscribed to any other line of railway, and each is entirely exempt from this species of burden.

On the other hand, the company will have the advantage, without such burdens, of the Great Northern Company's loop line as a temporary feeder at Peterborough, and of the following mileage as permanent feeders, viz:—

	Miles.
Eastern Union Railway, when completed, about...	150
Midland Railway, Syston to Peterborough, and at Syston communicating with the North and North West	48
East Anglian Railways	64
Newmarket and Chesterfield Railway and Cambridge Branch	24

When the Great Northern Line shall be finished and open between Peterborough and London, and when the Eastern Union Line, between Stowmarket and Norwich, shall also be completed, some traffic will be abstracted from the company, or lessened in the mileage run upon the Eastern Counties Railway, and consequent productiveness; but the amount of traffic abstracted or lessened by these new lines will, it is considered, be compensated for by the additional cross traffic brought from the Great Northern Company's districts upon the portions of the Eastern Counties Railway in the counties of Cambridge, Suffolk, and Norfolk, and also by the additional traffic likely to be received on the Colchester line from that part of the agricultural district between Stowmarket and Norwich, at present without railway accommodation.

It will be observed with satisfaction, that the debenture debts of the two companies, form little more than one-tenth of the aggregate amount of their capitals. Large borrowing powers still exist unexercised; therefore ample means can thus be provided for discharging the remaining liabilities.

The guaranteed interests are all permanently placed upon the firmest commercial footing, and entitled to the utmost confidence as investments.

As regards all that portion of the capital of the Eastern Counties and Norfolk Companies which participates in dividends derived from net surplus revenue, it is certain that the traffic of the lines is yet far from being fully developed to the extent which further exertions will produce, aided by the advantages of the London terminus at the river Thames and the East India Docks, and by the probable opening up of new connexions with the North of Europe, through Lowestoft and Harwich.

By order of the Board,

C. F. RONEY,
Secretary.

Bishopsgate Station, Nov. 21st, 1848.

CALEDONIAN RAILWAY.

IN addition to the ordinary report, the directors have issued a financial statement to the shareholders, in which they say:—

“In leaving these tables to your unprejudiced consideration, the directors feel confident you will arrive at the conclusion that your prospects are very different from what has been represented, and that the guarantees which you are urged to throw aside form the elements of your strength. Deprived of these connections, you lose one of the chief sources to which you should look for a remunerative return from your investment.”

The report is divided into three parts.

Part 1st embraces—1. An abstract of the capital of the company: 2. Guaranteed lines: 3. Working expenses: 4. Weekly

revenue required to produce dividends of 4, 5, 6, and 7 per cent. on the ordinary share-capital.

Part 2nd is a statement of liabilities under proposed arrangements with Scottish Central, Scottish Midland Junction, and Dundee and Perth and Aberdeen Junction.

Part 3rd exhibits lines for which powers have been obtained, but which will not be further acted on without authority from the shareholders.

PART I.

Abstract of the Capital of the Company.

The total amount of capital authorized to be raised by the company for the construction of the main line and branches, which are already in operation or in course of construction, including working-plant, will, when the whole is paid up, consist of the following sums:—

1. Loan capital	£1,030,200
2. Preference share capital, bearing 7 per cent. for 5 years, and 6 per cent. thereafter	745,180
3. Ordinary share capital	2,687,950

Capital when the whole is paid up	<u>£4,463,330</u>
---	-------------------

The above is the capital required for the main line from Carlisle to Edinburgh, Glasgow, and the North of Scotland, including the connexions with the lines west of Glasgow, the Buchanan Street station, and improvements on the Garnkirk and Wishaw lines, and which will be sufficient for their construction, and for the plant necessary to work them.

The Acts authorizing the above capital contain powers to raise an additional sum of £200,000 on loan, but it has not been found necessary to take authority to exercise these powers.

(2.) *Guaranteed Lines.*

The following is a list of these lines:—

	Miles.	Capital.	Rate of Dividend.	Amount of Dividend.
Clydesdale Junction	17	£450,000	6 per cent.	£27,000
Wishaw and Coltness	13	240,000	10½ „	25,200
Glasgow, Garnkirk, and Coat-bridge	11	156,355	8 „	12,508
Glasgow, Paisley, & Greenock	22	{ 150,000 500,000	{ 5 „ 4 „	{ 27,500
Loan capital of Wishaw, Garnkirk, and Greenock Companies	—	250,000		12,500
Total	63	£1,746,355		£104,708

N.B. The rate of dividend payable on £150,000 of the Greenock Company's capital is 6 per cent. till November, 1853, and thereafter 5 per cent.

(3.) *Working Expenses.*

The length of the Caledonian line is:—	Miles.
From Carlisle to Carstairs Junction	72½
Edinburgh Branch	27½
Branch from Carstairs to Junction with Wishaw line	12½

Castlecary Branch	10½
Short branches connecting the Clydesdale Junction with the Greenock and Ayrshire lines, the Castlecary branch with the Garnkirk, and the Garnkirk Extension into Glasgow	4
Total Caledonian Proper	127
Add length of subsidiary lines worked by Caledonian Company, on which guaranteed dividends are payable as above	63
Total mileage	190

It being impossible to calculate the rate of working-expenses with precision, the directors state the cost upon those lines which lie nearest, and bear the greatest resemblance to those traversed by the Caledonian, and which, as given in their last published statements, are at the following rates:—

	Lancaster and Carlisle.	Glasgow and Ayr.	North British.	Average.
Total per mile per annum ..	£621	£848	£663	£712 0 0
Expenses per mile per week	12	16	13	13 14 0

If the results of the experience on these lines may be taken as applicable to the Caledonian Railway, £14 per mile per week, or £728 per mile per annum, amounting, for 190 miles, to £138,320, will be sufficient to work the amount of traffic indicated in the following table, as yielding dividends of 4 and 5 per cent. From the amount of mileage which the Caledonian Company will work under one management, and the peculiar character of the traffic, passing as it does to a great extent over a long mileage, it is probable that the above sum of £138,320 may ultimately, when all the works are finished, prove sufficient to work even a larger amount of traffic; but in order to provide for an increase beyond 5 per cent., the working expenses are stated below at £15 per mile when the net return reaches 6 per cent., and £16 per mile when it reaches 7 per cent.

(4.) TABLE showing the weekly revenue required to produce Dividends of 4, 5, 6, and 7 per cent. on the ordinary share capital.

Weekly Revenue.	Total Revenue per Annum.	Working Expenses.	Interest on Loans, Guaranteed Dividends, and Preference Shares.	Remaining for Dividend on Ordinary Share capital.	Rate per cent. of Dividend.
£8,592	£446,784	£138,320	£200,928	£107,536	4 per cent.
9,109	473,668	138,320	200,928	134,420	5 „
9,816	510,432	148,200	200,928	161,304	6 „
10,523	547,196	158,080	200,928	188,188	7 „

The present weekly revenue derived from the Caledonian and the guaranteed lines above-mentioned, situated to the south of Castlecary, taking into account the carriage of mails, rent of extra land, and other items not included in the published returns, may be stated at £5,300 The weekly revenue of the Glasgow, Paisley, and Greenock Railway, averages fully £1,000, but on the opening of its connection with the Clydesdale, is estimated at 1,300 And the Clydesdale Junction, now nearly ready for being opened, is estimated to produce at least..... 1,200

£7,800

So that, in order to yield a dividend of 4 per cent. to the ordinary shareholders, and assuming the whole of the said capital paid up, there is only required a further increase per week of

Amount as stated. 792
£8,592

It will be seen from the previous table, that an increase of £517 per week over this sum of £8,592 will add 1 per cent. of dividend.

Therefore,—

To produce 5 per cent., the increase over the revenue of
£7,800 before given will be £1,309

To produce 6 per cent., the increase over £7,800 will be 2,016

To produce 7 per cent., the increase over £7,800 will be 2,723

PART II.

Statement of liabilities under proposed arrangements with Scottish Central, Scottish Midland Junction, and Dundee, and Perth, and Aberdeen Junction Railways.

	Miles.	Capital Guaranteed.	Guaranteed Dividend.	Proportion of Dividend Guaranteed by Caledonian Company.
Scottish Central.....	45	£1,020,000	£71,400	£17,850
Scottish Midland Junction ..	33	500,000	30,000	22,500
Dundee, Perth, and Aberdeen Railway Junction	47	530,000	42,400	31,800
	125	£2,050,000	£143,800	£72,150

This table shows that the liability of the Caledonian in connection with these lines amounts to £72,150, even on the supposition that they earn nothing beyond their working expenses and the interests of their loans.

PART III.

Lines for which powers have been obtained, but which will not be further acted on without authority from the shareholders.

	Amount authorized by Acts.		
	By Shares.	By Loans.	Total.
Motherwell Branch Act, 1847	£250,000	£83,300	£333,300
Lesmahagow Branches Act, 1847..	550,000	183,000	733,000
Wilsontown, &c., Branches' Act, 1847	250,000	83,300	333,300
Dumfriesshire and Cumberland Branches' Act, 1847	300,000	100,000	400,000
Edinburgh Station and Branches' Act, 1847,—			
Capital	£200,000		
Less preference shares issued	79,180		
	120,820	66,600	187,420
Branch across the Clyde, &c., Act, 1848	250,000	83,300	333,300
Garnkirk, &c., Improvements Act, 1848	45,000	15,000	60,000
	£1,765,820	£614,530	£2,380,350

GLASGOW, PAISLEY, KILMARNOCK, AND AYR RAILWAY COMPANY.

REPORT circulated by the directors of the company to the shareholders:—

The directors have observed, with much regret, the depreciation which has taken place in the marketable value of the shares in this company. In reference to this depreciation, the directors conceive it to be their duty to furnish such a full exposition of the state of their affairs as shall prevent any unfounded panic, and enable the shareholders and the public to judge fairly of the value of the stock of the company. They have accordingly instructed the secretary to prepare the annexed detailed statement, which they believe embraces every known liability of the company, with other important particulars.

To ensure accuracy in every detail connected with engineering and works, the board have submitted the statement to Mr. Miller, engineer-in-chief; and the whole details as to the plant and working expenses of the line have also been examined and certified by Mr. Johnstone, manager of the company. The estimates of the amount of claims for land and compensation have, in the same manner, been tested by the law agents, Messrs. Bannatynes and Kirkwood, so that great care has been taken to secure accuracy.

Referring to the annexed statement of liabilities, the directors may remark, that less than one-half of these obligations consist of debentures, on which the present average rate of interest is 4 per cent., and which do not wholly become due until 1853; there will be, therefore, ample time to provide for any contingency; and it is gratifying also to be enabled to state that the company have not a single bill or promissory note in circulation.

The company have granted no guarantee to other undertakings, except in the case of the Paisley, Barrhead, and Hurler Railway. By it they were bound to pay 6 per cent. on 230,000*l.* but more than two-thirds of the stock belong to this company, and it is not expected that the Hurler Company will proceed at present with their line. The company do not hold stock in any other undertaking, except those mentioned in the secretary's report, all of which, properly speaking, are branches or extensions of your main line. The company, however, are under an existing obligation to the Ayrshire and Galloway Railway Company, to complete the connexion between Ayr and Smithstown within a specified time; but the directors will endeavour to effect an arrangement to postpone any further proceedings until an improvement in the state of the country takes place.

The 250,000*l.* of preference stock, created in August last, for the Glasgow, Dumfries, and Carlisle line, with a dividend of 6 per cent. for three years, and 5 per cent. thereafter, has been all paid up.

It is a subject of regret to notice the amount expended in parliamentary contests in 1845 and 1846, but the proceedings of other companies in these years made it imperative on your directors to take such steps as were absolutely necessary for the protection of your interests. Your position, however, has been, in the opinion of your directors, rendered secure; and everything will be done by them to prevent any further expenditure of this description. In connection with this subject, it may be stated, that a proposition has been made by the Caledonian Company to renew their agreement of last session—that neither party shall, in the approaching session, introduce any hostile measures into parliament. In this proposition your directors have acquiesced.

The capital and revenue accounts are kept quite distinct, and the greatest care has been always observed to charge the expenditure of the company to

the proper account; all repairs, and the cost of new articles to replace those rendered unserviceable, have been charged to the traffic account.

The whole plant of the company is in excellent order, it is adequate for a large trade, and no additional outlay on this account will be necessary for a long time, except for mineral waggons. The works also are in a good state, and the capital account for the main line may be considered practically closed, as no further outlay will be necessary, unless sidings or short branches are required for additional traffic, which it is your interest to construct.

If the receipts for the portion of the current half-year which has passed be compared with an equal period of the preceding half-year, and if the moderate estimate of the revenue, £2,400 per week for the remaining weeks of the current half-year, be also made, there appears a fair prospect of an increase of about £14,000. The traffic on the main line and Kilmarnock branch fell off last year, in consequence of the depressed state of trade, to an extent which very materially affected the dividend, and the same must continue to operate until a return of commercial prosperity. The traffic on the new lines, recently opened, is still far from being fully developed; no goods have been carried on them. The local mineral traffic has scarcely commenced; and there is as yet no traffic passing between Dumfries and Ayrshire. The revenue of these new lines must also be suffering from the same depressing causes that are operating on the main line; but, notwithstanding these unfavorable circumstances, the gross revenue of the new lines, from passengers alone, is very encouraging.

The amount of working expenses must necessarily be increased by the greater extent of the line; but it is hoped that the proportional amount, as compared with the revenue, will, notwithstanding the depression of the times, be less than formerly. To aid in this, the directors have insisted on the most rigid economy on the part of their manager; and, at the present moment, a committee of directors is now employed in thoroughly investigating the whole details of the working expenses.

The directors are unwilling to run the risk of misleading the shareholders by saying much as to the future, but their intention is—

1st. To commence no new works without the sanction of the shareholders; and,—

2nd. To reduce the expenditure, whether of capital or revenue, to the lowest point.

By an adherence to such a course, the directors trust that the very trying crisis will be passed through without any permanent injury to the valuable property committed to their charge, and that the revenue of the company will again rise with the returning prosperity of the country. As showing the elements which encourage such an expectation, the directors may state, that there are at present in Ayrshire several iron blast furnaces not at work, and others in course of being built, as well as extensive coal-fields coming into operation; all of which will contribute, both directly and indirectly, to your revenue.

The directors will leave it to the Dumfries Company to state their intention as to the further prosecution of the works on that railway. The financial accounts of the two companies have been kept entirely separate, and will continue to be so until the amalgamation, which takes place on the completion of the railway from Old Cumnock to Dumfries.

The directors will only further add, that they indulge the hope that a thorough scrutiny of the Secretary's statement will afford complete satisfaction to the shareholders. If it shall be their wish, the detailed balance-sheets, together with the books of the company, may be examined by any professional accountant in whom they have confidence; and the board will gladly afford every facility in their power to his inquiries.

In conclusion, the directors beg to record their unaltered opinion of the value and importance of the undertaking, and they believe that an improve-

ment in the commerce and manufactures of the country will certainly be accompanied by an increase of your traffic, and consequently a proportionate augmentation in the value of the company's stock as an investment.

By order of the Board,

JAS. M'CALL, Chairman.

Glasgow, November 14, 1848.

The following is the abstract of the statement published by the Glasgow and Ayr Company :—

ABSTRACT OF ASSETS AND LIABILITIES.

Assets as above £765,020 1 4

Liabilities—

1. Under contracts for works already executed, but yet unadjusted as to balances	£2,326 17 5
2. Under contracts for works in progress	40,910 2 7
3. Extra works, land and compensation, &c.	129,871 3 8
4. Parliamentary, law and engineering expenses	23,015 5 11
5. Sundry liabilities not otherwise classified	173,267 2 3
6. Mortgage debt due by the company	322,317 5 0
	<hr/>
	691,707 16 10

Balance	£73,312 4 6
Add—Amount expended above, and for which stock or mortgage can be issued under Acts of Parliament	142,274 11 2

Surplus of assets	<u>£215,686 15 8</u>
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RECEIPTS AND EXPENDITURE.

The amount of receipts on capital account, as detailed in the half-yearly balance-sheet, at 31st July, 1848, is .. £2,340,563 8 4

The expenditure, as therein stated 2,286,353 5 2

Leaving a balance of	54,210 3 2
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The receipts since 31st July last	51,912 10 0
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	<hr/>
	£106,122 13 2
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Since the date of the above balance the principal payments have been—

For works	£43,172 2 0
Land and compensation	1,088 13 8
Parliamentary and law expenses, and for engineering, to account	30,588 1 8
Plant for new branches, and for Dumfries and Carlisle line	18,680 6 9
Debentures, including loan over Paisley and Renfrew Railway	30,475 0 0
	<hr/>
	£124,304 4 1
	<hr/>

CAPITAL STOCK—CREATED AND UNCREATED.

1. *Created Capital.*

1. The consolidated stock	£1,250,000
2. The guaranteed consolidated stock, entitled to a minimum dividend of 5 per cent., but participating in the rate of dividend declared on the consolidated stock when above 5 per cent.	156,250
3. 28,125 shares of £25 each, first issue—created September 9, 1846, with a dividend of 5 per cent. until July 31, 1849, thereafter participating in the rate of dividend declared on the consolidated stock	703,125
4. 17,807 shares of £25 each, second issue, created 14th January, 1847, with a dividend of 5 per cent. until 31st January, 1850, thereafter participating in the rate of dividend declared on the consolidated stock	445,175
Glasgow and Ayr capital	£2,544,550
5. 25,000 shares of £10 each, created on 24th August, 1848, and raised under the Act authorizing an amalgamation with the Glasgow, Dumfries, and Carlisle line, with a preferable minimum dividend of 6 per cent. until 31st July, 1851, and at the rate of 5 per cent. thereafter, with participation in common with the consolidated stock, when it receives a higher dividend	250,000
Amount of capital created	£2,804,550

The Acts of Parliament under which the foregoing capital has been raised are:—

1 Vict. cap. 117—1837	£833,300
5 Vict. cap. 29—1842	416,600
8 and 9 Vict. cap. 95—1845	272,000
9 and 10 Vict. cap. 60—1846	80,000
9 Vict. cap. 61—1846—Amount authorized	£106,666 13 4
Deduct amount not yet raised	16 13 4
	106,650
9 and 10 Vict. cap. 62—1846	306,000
9 and 10 Vict. cap. 211—1846	100,000
9 and 10 Vict. cap. 392—1846	440,000
Capital created for the Glasgow and Ayr Company	£2,554,550

In addition to the above Acts, the Glasgow and Ayr Company have exercised the powers conferred on them by the Act 10 and 11 Vict., cap. 183, altering the terms of amalgamation with the Glasgow, Dumfries, and Carlisle Railway Company. This Act makes it lawful for the Glasgow and Ayr Company to create £900,000 of additional capital for the Dumfries line; but this power has only been exercised to the extent of £250,000, and the particulars of this creation are stated above.

2.—*Uncreated Capital.*

The following Acts of Parliament have been passed in favour of this company, but no part of the capital authorized by them has yet been raised, viz.:—

1. The Act 10 & 11 Vict., c. 184, in 1847, authorizing the construction of the Muirkirk line (already formed), with the extension to Glenbuck, and subsidiary branches to Hilliar, Shields, the Lugar Ironworks (constructed), to

Morton Muir, and to Hillhall (constructed); also a line between Auchinleck and Ayr, with several branches from that line, and to the north and south harbours of Ayr, with a branch from the Belfast Union Railway to Smithstown, the junction with the Ayrshire and Galloway Railway. This act authorizes share capital to be raised to the extent of .. £1,025,000

On mortgage 341,000

£1,366,000

2. The Act 10 and 11 Vict., cap. 185, in 1847, authorizing branches from the Cumnock Extension to Loudenkirk and East Colliery; a branch from the Troon line to Busbie station; a branch from the main line near Kilwinning to the Ardrossan Railway at Byrehill; branches from Dalry to Ittington and Giffordland, &c. The share capital authorized under this Act is £300,000

On mortgage 100,000

400,000

3. The Act 10 & 11 Vict., cap. 186, in 1847, authorizing the purchase of additional ground, &c., near the Glasgow terminus, for the purpose of enlarging the goods' station.

NOTE.—No money is authorized to be raised under this Act; and some of the powers conferred by it have been abandoned.

4. The Act 10 and 11 Vict., cap. 229, in 1847, authorizing the purchase of the Paisley and Renfrew Railway, with power to make the gauge similar to that of the Glasgow and Ayr line—to lay down an additional line of rails—and to construct a larger wharf at the Clyde, near Renfrew. Amount of share capital authorized £75,000

On mortgage 25,000

100,000

5. The Act 10 and 11 Vict., cap. 234, in 1847, authorizing the purchase of the Bridge-of-Weir-Railway, and the construction of branches therefrom. The amount of share capital authorized to be raised is £150,000

On mortgage 50,000

200,000

Total uncreated capital £2,066,000

MILEAGE.

The following is a statement of the mileage of the company's several lines and branches:—

	Miles.	Opened.
Glasgow to Kilmarnock	33½	1840 and 1843.
Extension to Auchinleck	14	9th August, 1848.
Main line	47½	
Kilmarnock Junction to Ayr	17½	1840.
Muirkirk Branch	10½	9th August, 1848.
Lugar and Gas-Water Mineral Branches	1½	9th August, 1848.
Galston Branch	3½	9th August, 1848.
Swinlees Mineral Branch	1½	1847.
Irvine and Busbie Line	5½	May, 1848.
Irvine Harbour Branch	¾	May, 1848.
Kilmarnock and Troon Railway	10½	May, 1847.
Perceton Mineral Branch	¾	May, 1848;
Ayr Harbour Branch	½	1848.

Miles opened 100

Constructing—

Extension from Galston to Newmilns, which may be opened in two months.. .. .	2½
From Auchinleck to Cumnock, to be completed by 1st August, 1849, if expedient	3½
	<hr/> 6
Total mileage	<hr/> 106

GLASGOW, DUMFRIES, AND CARLISLE RAILWAY COMPANY.

THE following statement has been issued by the directors to the proprietors:—

The extraordinary depression which has so universally prevailed in railway property, has had an injurious effect on your shares, and an opinion has been expressed that sufficient information has not been afforded by directors, to the proprietaries, of the real position and liabilities of undertakings of this description.

Your directors are not conscious of having withheld a single particular with reference to the state and progress of the company's operations; but they have endeavoured, in previous half-yearly reports and accounts, to detail minutely all their proceedings.

The depressed condition of commerce and manufactures, accompanied by a want of confidence on the part of capitalists, have, as a necessary consequence, embarrassed in a corresponding degree the progress of all lines of railway in the course of construction; and it is believed that the present state of financial affairs in this country is almost without a parallel. The difficulties, therefore, which have been experienced by your directors in proceeding with the construction of the railway, during some months past, under such circumstances, have been of no ordinary or trivial character; they are glad, however, in being enabled to state, that they made greater progress than they would have been justified in anticipating.

The board will now detail the exact position of the company—the liabilities and obligations to which it is subject—and the course of proceeding which, with your sanction, they propose to adopt.

The line may be divided into two distinct portions, viz.—

I.—From Greta Junction to Dumfries, a distance of 24 miles; and

II.—From Dumfries to its junction with the Glasgow and Ayr Line, near Cumnock; in length 41 miles.

1. The first of these portions was opened on 23rd August last, for passenger traffic, and is wrought by the Glasgow and Ayr Company. Permanent stations are in course of erection at Annan and Cummertrees; but at Dumfries and at Greta Junction, the requisite engine and carriage sheds only are being built. Temporary wooden erections have, in the meantime, been made for the passenger booking offices. There are seven contracts on this portion of the line, the prices in which are

Deduct payments to this date	£160,536 0 0
	<hr/> 153,660 14 0
Balance	£6,875 6 0
Station-house, depôts, and extra work, not included in contracts, estimated at	35,127 10 0
	<hr/> £42,002 16 0
Balance to be provided for	

2. The line between Dumfries and Cumnock is only partially let, there being about 14 miles between Sanquhar and Cumnock, not yet contracted for. The contracts let are the following:—

	Prices.	Payments.	Balances due.
Dalswinton Contract	£85,898	£43,305	£42,593 0 0
Closeburn do.	44,073	16,012	28,001 0 0
Drumlanrig do.	144,953	17,740	127,273 0 0
Sanquhar do.	29,623	12,473	17,148 0 0
Balance of contracts			£215,015 0 0
Estimated cost of the unlet portion of the line between Sanquhar and Cumnock			97,000 0 0
Rails, chairs, sleepers, &c., after deduction of stock on hand			167,949 13 5
Stations, depôts, and extra work not included in contracts already let			32,830 0 0
Unsettled claims for land and compensation between Sanquhar and Gretna, after deduction of sums consigned			17,106 13 3
Unsettled claims for land and compensation between Sanquhar and Cumnock, estimated at			20,615 0 0
Estimated cost of line between Dumfries and the Junction with the Ayrshire line at Cumnock			£550,516 6 8
Balance to complete line between Gretna and Dumfries, as above			42,002 16 0
Balances of parliamentary, law, and engineering accounts, so far as rendered			26,935 9 5
Various claims not ascertained, say			15,000 0 0
Estimated expenditure to be provided for			£634,454 12 1
Amount expended to November 1, 1848			557,585 19 2
Total estimated cost of line			£1,192,040 11 3

The parliamentary estimate of the cost of constructing the whole line and branches, exclusive of any provision for plant or interest on capital, was £1,200,000; and it is gratifying to state the expectation of the engineer, that the main line will thus be completed for a sum less than the estimate. This reduction would have been much greater, if it had not been deemed advisable to build bridges, and make the necessary approaches, over nearly thirty turnpike roads, which your Act of Parliament allowed to be crossed on the level. The benefit of this arrangement will be sensibly felt hereafter, as the revenue of the company will be relieved of a heavy annual charge for gatekeepers, &c., in addition to the greater degree of public safety thus obtained.

The Dalswinton contract may be finished in about three months, thus giving a continuous line from Gretna to the vicinity of Thornhill, thirty-six miles in length. The cost of completing this additional distance is estimated at £110,000, after deducting the amount of permanent materials now at the disposal of the company. It is almost unnecessary to allude to the great benefits which must accrue in having this contract completed as soon as possible. In the first place, it would give a continuous line from Gretna to Thornhill, wrought at little additional expense, while the traffic on the portion already opened would receive a material augmentation from this source; and secondly, the intervening distance from the southern terminus of the Glasgow and Ayr line at Cumnock is so materially abridged, as to enable the communication to be maintained by coaches. Under such circumstances, therefore,

it seems expedient to make every possible exertion for the completion of the Dalawinton contract.

The periods for finishing the Closeburn and Sanquhar contracts have been extended to 1st July, 1849; while the heaviest contract, that for the Drumlanrig tunnel, has been re-let to a contractor, under an agreement by which he is bound at present only to keep the works already executed in good order, and to delay any active operations otherwise until 1st April, 1849, when the company have the option of either allowing them to be proceeded with, or of delaying them for a longer period. If the works on this contract are carried on, then it is a condition that the monthly payments until 1st October, 1849, shall not on an average exceed the rate of £1,200, and if necessary, they may be reduced to £600 per month. The period of completion has been extended to 1st September, 1850, if the first scale of payments shall be adopted: but in the event of the last-mentioned reduction being made, a proportional extension of time for the completion of the works is to be allowed. In concluding this subject, it may be mentioned that the works between Sanquhar and Cumnock are of a very easy character comparatively, and can be completed in sufficient time, although not yet let.

By the Act 10 and 11 Victoria, cap. 183, altering the terms of amalgamation with the Glasgow and Ayr Company, the stock of the original shareholders was restricted to £433,333 6s. 8d. For the purpose of providing the balance, the Glasgow and Ayr Company were authorized to create additional capital; and they have recently issued new stock to the extent of £250,000, in preference shares of £10 each. These, when paid up to the extent of £217,000, will enable this company to exercise their loan powers of £433,300, which respective amounts it is expected will enable the line to be completed under the present estimates.

The amount received on capital account, to this date, is	£424,535	16	8
Arrears of calls	8,797	10	0
Reduced capital	£433,333	6	8

The expenditure since the accounts were last audited, on 31st July last, has been £70,198 19s. 3d., and this, with the large balances then due to the bankers of the company, have been liquidated by the receipts arising from the calls on the preference stock created by the Glasgow and Ayr Company. That company have an asset of 2,863 of their own shares, which although, under present circumstances, it cannot be made immediately available, except at an unnecessary sacrifice, may hereafter be disposed of at par; this stock is the balance of shares not taken up in the allocation made in 1847.

The shareholders are now in possession of every fact connected with the undertaking which the director can furnish. The opinion of the board is unanimous as to the propriety of adopting every expedient to finish the line to Thornhill; but they fear, in the present depressed state of the money market, that they are under the necessity of stopping all further operations between Thornhill and Cumnock, until a decided improvement shall take place.

By order of the Board,

JOHN LEADBETTER, *Chairman.*

Glasgow, 13th November, 1848.

THE BANKERS' MAGAZINE;

AND

Journal of the Money Market.

JANUARY, 1848.

SUPPLEMENTAL NUMBER.

THE DEBATE ON THE BANK CHARTER ACT.

[In order to preserve in a convenient form, for present and future reference, the important debate in the House of Commons on the motion for a Committee of Enquiry into the working of the Bank Charter Act, with reference to the recent commercial crisis, we have obtained the following reports of the speeches, which we believe will be found accurate and impartial. We have added marginal notes to direct attention to the principal topics discussed; and have given the principal speeches almost *verbatim* as they were delivered.—Ed. B. M.]

HOUSE OF COMMONS, 30th November, 1847.

THE CHANCELLOR OF THE EXCHEQUER moved for the appointment of "a select committee to enquire into the causes of the recent commercial distress, and how far it has been affected by the laws for regulating the issue of bank-notes payable on demand," and he stated the reasons which had induced the Government to give that recommendation to the Bank of England which was contained in its letter of the 25th of October. He said he was prepared to hear the government blamed on both sides for having taken a middle course in that measure. Those who approved the act of 1844 would blame the Government for having interfered with it at all, whilst those who disapproved it would blame the Government for not having interfered at an earlier period, and would make it responsible for the misfortunes which had occurred in various parts of the country, and for not adopting a system diametrically opposite to the present. He appealed to the first party whether beneficial results had not accrued from the interference of the Government, and he told the latter party that it was incumbent on them to show that an earlier interference would have been useful, for he frankly asserted his conviction that an issue of bank-notes would not have relieved in any material degree the existing distress. He said, moreover, that if the Government had departed further from the principle of the act of 1844, it would have acted against its deliberate conviction; for the Government was of opinion that the operation of that act during the present year had been salutary to the country. Still, though he was friendly to the principle of that act, he could not say that its principle was at all times and at all hazards to be carried into effect. When that act was first brought into operation, it was under circumstances of an adverse character, which had been unprecedented for years past, and which he hoped would be without parallel for years to come. We had not seen any such expansion of credit as had taken place, either for the importation of corn, or for the construction of public works—we had not seen any such inability on the part of

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the commercial world to meet its engagements—we had not seen on any former occasion public distrust to such an amount of panic as existed six weeks ago; and he therefore asked what system could have guarded against events so completely out of the ordinary range? It was, therefore, no fault in the principle of the act of 1844 that it had not guarded against a contingency against which no other act of the legislature had hitherto provided.

The Reason why Government suspended the Bank Act.

But although no provision could be made for circumstances like those he had mentioned, it is not because they were unforeseen. He said, "I am about to quote from a pamphlet written by Mr. Jones Loyd, one of the most distinguished advocates of the principles embodied in the act of 1844, and whose authority, therefore, is high upon this subject. The pamphlet was written in 1840, but not published till 1844, and he distinctly and, as the house will see, plainly, points to an occurrence of such a character as that which we have recently seen. He quotes in the first place from a pamphlet of Mr. Huskisson, who says,—'The consequences of sudden alarm cannot be measured. They baffle all ordinary calculation. Cash is then withdrawn, not because the circulation is excessive, but by the country banks and town bankers, for the purpose of meeting possible demands on them, and by the community at large, either directly from the Bank, or indirectly through the former channels, for the purpose of hoarding, from the dread of some imaginary or contingent danger. In such a crisis, every reduction in the amount of bank paper is so far from checking the drain that it aggravates the general distress. The possible cases, however, which may call for such an intervention of power are not capable of being foreseen or defined by law. The necessity may not occur again; if it should, the application of the remedy must be left to those who may then be at the head of affairs, subject to their own responsibility and to the judgment of parliament.' Upon these words of Mr. Huskisson, Mr. Jones Loyd proceeds to observe,—'These remarks of Mr. Huskisson furnish the true answer to the memorial of the London bankers, in which they urged the introduction of a special clause to facilitate the suspension of the operation of the bill in periods of peculiar pressure on the money-market. To accede to such a request would be virtually to destroy the efficacy of the measure. The commencement of a drain of bullion, and consequently of pressure on the money-market, is the period at which the provisions of the bill become practically important; and, unless they are then strictly adhered to, the whole measure becomes a nullity. For all contingencies which can be reasonably anticipated, and which are susceptible of being previously defined by law, the firm application of the provisions of the bill is essential, and against the occurrence of these contingencies which are not capable of being foreseen or defined by law, but which are not altogether impossible, the bill itself affords the best protection that can be obtained. Should a crisis ever arrive 'baffling all ordinary calculation,' and not amenable to the application of any ordinary principle, the remedy must be sought, not in the previous provisions of the law, but, quoting Mr. Huskisson's words, 'in the discretion of those who may then be at the head of affairs, subject to their own responsibility, and to the judgment of Parliament.' Believing that such a state of things has arisen, when the circulation was rendered inadequate in consequence of a state of alarm and of panic, upon the principle contained in the quotation which I have just read from Mr. Huskisson, confirmed by Mr. Loyd, Her Majesty's Government felt it to be their duty to act.

The Incidents of the Panic.

When I came to London on the 2nd of October, I found the whole city in a state of the greatest excitement and alarm, and certainly I never passed

through so painful and anxious a period as the three weeks which succeeded that day. My time was occupied in seeing persons of all descriptions from the moment I came down in the morning until I went to bed at night. I was informed that the rate of continuation, as it is called, was 6 per cent. per annum for each day. Parties came to me, and represented that it was perfectly impossible that the loans could be paid back to the Bank; that if the Bank relied upon that for the payment of the dividends, they would be disappointed; that the Bank dared not sell their securities, and, consequently, that it was impossible the public credit could be maintained during the next week. What, however, was the fact? The loans were returned to the bank, and the dividends were paid in the ensuing week. I ought to state that, during the whole of this period, the Governor and Deputy-Governor of the Bank acted with extreme prudence and discretion, and it is satisfactory to know that, on the whole, the loans were very punctually repaid. The place of the notes paid into the Bank on account of the loans was supplied by others paid out in discharge of the dividends. It is worthy of note, that, although it is represented that the want of bank-notes was, at this period, causing the ruin of the half of London, more notes by £300,000 in value were paid out of the Bank than during the corresponding period of 1846.

About the middle of October the failure of the Royal Bank of Liverpool took place, and the intelligence reached London just at the moment when, according to the statements in the newspapers, a better state of feeling began to exhibit itself in London. The failure of that bank is obviously attributable to gross mismanagement. With a paid-up capital of little more than £600,000, they lent, if I remember correctly, no less than £500,000 to one house. Although, as I have stated, a better state of feeling had, about this time, begun to show itself in London, the case was different in the country. Great apprehension was entertained respecting an eminent broker at Liverpool, who, however, succeeded in obtaining assistance from the Bank of England. Another bank at Liverpool called, I think, the North and South Wales bank, failed, and much anxiety was felt respecting many country banks, more especially those in commercial districts; for, except in one or two instances, the banks in commercial districts have not been exposed to a severe drain. We were next alarmed by the intelligence that a bank in the West of England had failed, and it appears that it will be unable to pay more than a small dividend. Intelligence of the failure of the Union Bank at Newcastle was next received, together with an account of a severe run on a District Bank in that town. Allusion was made on a former evening to the manner in which it is supposed that bank obtained assistance; but I can only state that Mr. Richardson, the manager of that bank, came up to London to solicit assistance from the Bank of England, and returned without having obtained it.* That in itself is sufficient to satisfy any person that the case of that establishment was not recommended to the favourable consideration of the Bank of England by the Government. It is true that the bank was saved by the interposition of the branch Bank of England at Newcastle, the manager of which was Mr. Grote, the brother of the gentleman of that name whom many members of this house hold in grateful recollection. Mr. Grote assisted the District Bank, because he knew the ruin which its fall would cause to the neighbourhood, and he therefore took on himself the responsibility of affording it the means, to an enormous extent, of meeting a formidable run which was made upon it on Friday and the half of Saturday. By that means the bank was saved, and in the afternoon of Saturday many of the parties who had drawn out their money came to the

* Sir Charles Wood subsequently explained that he did not intend to impute any mismanagement to the District Bank, as to the solvency of which he said no one could entertain a doubt.

bank and tendered it again in deposit. About this period the sense of danger was fearfully aggravated by an application for assistance to the Bank of England from the Scotch Banks. It has always been supposed that the Scotch banks rested upon so safe a footing as to be able to take care of themselves, and that, consequently, it would never be necessary for them to seek for assistance from the Bank of England; but on this occasion the application was made, and certainly the statement laid before the Bank was of a nature to excite alarm; because, looking to the enormous amount of the deposits in the Scotch banks, however solid and sure may be the security of those establishments, the temporary embarrassment of a portion of them could not have failed seriously to aggravate the existing pressure in this country. Under these circumstances, the Bank of England being pressed directly for assistance from various quarters, and the London bankers being called upon to support their country correspondents, two bill-brokers stopped, and the operations of two others were nearly paralyzed, and thus the whole market for discount was thrown upon the hands of the Bank of England. Notwithstanding this, the Bank, as I before said, never refused a bill which it would have discounted at another time, but still the large mass of bills which under ordinary circumstances are discounted by bill-brokers could not be negotiated. In this state of things the Bank intimated to the Government that it was impossible they could go on rendering assistance to the English banks and a large portion of the banks of Scotland, and at the same time take care of themselves (by which they meant complying with the law), without pressing still more stringently upon the commercial interests of this country. At this crisis a feeling as to the necessity of the interposition of Government appeared to be generally entertained, and those most conversant with commercial life, and least likely to decide in favour of the course which we ultimately adopted, unanimously expressed an opinion, that if some measures were not taken by the Government to arrest the evil, the most disastrous consequences must inevitably ensue. I took the greatest pains to ascertain the accuracy of all the statements which were placed before me. I was most unwilling to interfere unnecessarily, but, at the same time, I felt that I should be utterly unworthy of the office which I have the honour to fill, if I should hesitate one moment to do what I might find to be necessary because it would run counter to opinions I had formerly expressed.

Evidence was laid before the government which proved not only the existence of severe pressure from the causes which I have stated, but also that it was aggravated by the hoarding on the part of many persons of gold and bank-notes to a considerable extent, in consequence of which an amount of circulation which, under ordinary circumstances, would have been adequate, became insufficient for the wants of the country. As soon as the panic ceased thousands and tens of thousands of pounds were taken from the boards and deposited in banks. Parties of every description made applications to us for assistance, with the observation, "we do not want notes, but give us confidence." They said, "anything you do will give us confidence; say you will stand by us, and we shall have all we want; do anything, in short, that will give us confidence. If we think we can get bank-notes, we shall not want them. (A laugh). Charge us at any rate of interest you please." ("No, no.") I beg pardon of the hon. gentleman who cries "No," but I may be permitted to know what was said to me. The constant application made to us was, "Let us have notes issuable by the bank; charge us with what rate of interest you please, 10 or 12 per cent.; we do not want them, only let us know that we can have them, and we shall then have sufficient resources of our own to go on with." An hon. gentleman asked the other day what had induced us to act on the Saturday instead of the Thursday? The reason was, that on Friday and Saturday a very different state of things existed to what had pre-

viously occurred, and we were convinced that at length the time had arrived when, in the words of Mr. Huskisson, to which I have already referred, "the stagnant and straitened circulation of the country wanted life and aid, and became every day more embarrassed, while each new calamity produced by such a state of things contributed to spread and increase the general apprehension." It was on Saturday, and not before, that this conviction was forced upon us, and it was not till then that we felt it necessary to sanction a violation of the law. Having determined to act, there was, of course, the question in what mode we should carry our intentions into effect? This question did not require much time for its solution, because, having had the matter long before under consideration, my noble friend (Lord John Russell) and myself had made up our minds as to the mode which we should adopt. I confess I should have been exceedingly glad if we could have devised any other effectual remedy for the commercial distress which prevailed. One mode of relief suggested to us was, that we should make advances of Exchequer bills on the security of goods. I do not know that merchants would have been in a better situation by giving their goods for Exchequer bills, because goods were quite as saleable. ("Hear, hear," and a laugh). Another mode suggested was the advance of notes upon consols; but neither did that expedient, nor the issuing of some description of government note, appear to us likely to be sufficient to meet the evil. It would have been most absurd to act at all unless in a way which we were pretty sure would effect our purpose. I must also state, that the parties who applied to us, generally speaking, told us that, in sanctioning an issue of bank-notes, it was essential, for the purposes of discount, that there should be a limit to the amount of notes issuable. But in the state of alarm which then prevailed, it appeared to us that it would be unwise to fix any limit of the kind, because, whether the limit was £1,000,000, or £2,000,000 of notes, parties would naturally have possessed themselves of the amount as soon as they could, and, when apprehension was again roused, the same thing would have occurred with a circulation of £21,000,000, as with £19,000,000 or £20,000,000.

Another and a better suggestion offered to us was, that a limit should be put on the rate of interest. We considered it essential in the recommendation that we made to the bank that a high rate of interest should be charged; not so much regarding whether 7, or 8, or 9, per cent. was charged, but considering it essential that the rate of interest should be high. Unless we did that, we thought we should not impose any limit whatever on the issue of notes, and that we should do what was very mischievous, namely, check the importation of bullion into this country. At the same time, we were very anxious not to impose a higher rate of interest than was necessary for the time, and instead of 10 per cent., which had been suggested, we adopted a rate of 8 per cent. A rate of interest of 7 per cent. would not have answered the purpose intended, and when gentlemen say that the high rate of 8 per cent. was fixed by the direction of the government and the Bank of England, they leave out of consideration the rate of interest out of doors. On the 22nd of October the rate of interest at Hamburg was 7 per cent., and I have a letter from our consul at Hamburg, in which he says that the rate of interest was not much less in any part of Germany.

Even the rate of interest charged by the Bank of England up to that time was greater than is commonly supposed. The *minimum* rate of $5\frac{1}{2}$ per cent. was not charged on any considerable portion of the bills which they discounted. That was certainly the amount for which they discounted some bills which had but a short time to run, but the average amount of their rate of discount was $7\frac{1}{2}$ per cent. The real amount, therefore, of the rise in the rate of interest recommended by us was, at any rate, not much more than $\frac{1}{2}$ per cent., and was only 1 per cent. above the rate of interest on the continent and in America. If it be desirable, as

every one must admit it to be, that capital should be attracted to this country, it can only be attracted by the circumstance of foreigners obtaining a higher rate of interest for their money here than they can get in their own country. I conceive, therefore, that the mode in which we acted was the one best calculated to attain the end we had in view, namely, the removal of panic and the diminution of the chances of its recurrence. It is said that we ought to have left the Bank of England to fix the rate of interest, but I think it was but fair that we should have fixed the rate ourselves. I had no desire, any more than my noble friend, to shrink from the responsibility which fairly belonged to us, and we thought it better that we should state fully the whole nature of the measure which we proposed. As I have said before, what was essential was, that there should be a high rate of interest, and we took it upon ourselves to say what, under the circumstances of the times, was the proper amount. It has been said that there ought to be a difference made in the rate charged for advances made in consequence of the letter addressed by us to the Bank, but it is impossible to make any such distinction. An objection has also been taken to the paragraph claiming for the government a share in the profit arising from the high rate of discount charged. That paragraph was introduced very much at the suggestion of the Bank authorities, and was introduced on purpose to protect the Bank against the suspicion of inordinate profits. The cause of the recommendation which we made to the Bank was our desire to relieve the commercial interests of the country, and we did not interfere for the purpose of creating capital, which was of course impossible. That was what we intended, and I believe that it will be admitted that the effect intended was produced. I do not mean to say that some parties will not be disappointed at not finding themselves in the position in which they would have been placed by an extravagant issue of notes. Other parties may be disappointed who expected that something would be done to put money into their pockets, and enable them to carry on concerns for which they had no means of their own. (Hear, hear.) Still, I believe that persons who had means of their own, though not immediately available, were enabled, by means of the assistance placed at their disposal in consequence of the measure authorized by the government, to carry on their business when the alarm which had been excited was dissipated. No doubt a pressure remains, because it is occasioned by those circumstances to which I have alluded before. Failures have taken place since, and may take place still, because, after the assurances which were made to us last summer respecting the sound state of trade have been so singularly falsified, I cannot place much confidence in representations of a similar character now. What we prevented was a general and contemporaneous failure, the consequences of which it would have been terrible to contemplate.

The Panic not caused by a Deficiency of Circulation.

Throughout the month of September failures of houses engaged in various branches of trade took place in rapid and melancholy succession. But, were these failures to be attributed to a deficiency in the amount of bank-notes then in circulation? I think not. It was impossible to make that the test. Early in September an occurrence took place to which I think an exaggerated importance has been given. I mean the fact of the Bank making advances nearly up to the time when the dividends became payable. Early in September the Bank of England announced that they would make advances up to the 14th of October at 5 per cent. It was exceedingly unfortunate that they adopted that low rate, because parties in the City do not so much attend to the published accounts of the Bank as they do to the acts of the Bank, and the rate of interest actually charged on advances. I do not think that this determination on the part of the Bank produced any great practical effect on

the amount of the advances actually made, but I do believe that it did produce a very considerable effect in other respects, by inducing an undue confidence in the money market. It was, therefore, in its result an unfortunate and mischievous proceeding. But, although the advances were not increased, yet what was really done was this:—It is notorious that previous to the payment of the dividends every quarter, Government balances are allowed to accumulate in the Bank; and it is equally notorious to everybody conversant with these matters that the practice of the Bank is not to allow these balances to lie in their tills unemployed, thereby depriving the public of the extent of the accommodation which they were entitled to expect, but to lend them for short periods in sums to be repaid previous to the time when the dividends become due.

This was the course adopted by the Bank in September and October last. They made advances out of the Government balances re-payable before the dividends became due in the month of October. It is also equally true, that upon all former occasions the practice of the Bank has been, that when they made a loan to be repaid within a limited period they charged a different rate of discount. The loans on this occasion were made at $5\frac{1}{2}$ per cent. What, then, was the effect of these proceedings of the Bank in regard to the amount of bank-notes in the hands of the public? In the early part of June the amount of notes in circulation was £18,250,000. On the 30th of July the amount was £18,892,000. Now, it is notorious, that just before and during the period of the payment of the dividends the amount of notes in circulation decreases, and after that period increases again. Accordingly, on the 11th of September the amount of notes in the hands of the public had gone down to £17,840,000; but on the 2d of October, when the advances of which I have just spoken had been made, the amount of notes in circulation was £18,712,000. Therefore, the amount of notes in circulation at the time when all this pressure existed, and which has been attributed to a deficiency of the Bank circulation, was actually more by the sum of £200,000 than it was in the early part of the month of June, when everything was going on prosperously, and the importations were upon a most extensive scale. I will now refer to the accommodation afforded by the Bank upon what is called "other securities." On the 24th of July the sum advanced on private securities amounted to £15,325,000; while the amount of accommodation afforded at the time of the most pressure was not less than double what it was in 1844, being no less than £21,259,000, that is to say, during the two months of August and September the accommodation of the Bank to the public on private securities was increased upwards of £6,000,000. The amount advanced on "other securities" in former years stood thus:—On the 5th of October, 1844, £10,510,000; on the 4th October, 1845, £15,188,000; on the 3d of October, 1846, £15,086,000; and on the 2d of October, 1847 (as I stated before), the amount was £21,259,000. I do not think that, from these figures, any inference can be drawn that there has been any want of amount of bank-notes in circulation, or any want of accommodation on the part of the Bank of England to the public.

Another proof that the circulation was not contracted so much as it has been alleged at the period when this pressure came upon the country, is the fact that the amount of the circulation of country bank-notes had not been reduced in any considerable degree. The amount of English bank-notes in circulation in the months of August and September last was only £200,000, or £250,000 below the amount in circulation in the corresponding months of the preceding year, while the circulation was upwards of £1,000,000 below the legal limit of their issues. There was no reason, therefore, why the circulation of country notes might not have been increased. In Scotland there was little or no difference between the circulation in the months of August and September, 1846, and August and September,

1847. The only country notes which were considerably lower in amount of circulation in August and September last than in the corresponding months of last year are the country bank-notes of Ireland, but in Ireland no commercial failures have occurred. Up to that time—the month of September—and indeed throughout the whole of the pressure, the Bank of England never refused to discount any bill which at any other period it would have discounted. They charge a higher rate of discount, it is true, but from the beginning of the year, up to the present time, they have not refused to discount any single bill which came under the ordinary rule observed by them in ordinary times.

The Expenditure for Corn one cause of the Panic.

I think I have shown that, up to October, there was no great inadequacy in the amount of notes in the hands of the public; and that there was no great difficulty in obtaining discounts from the Bank of England. But, I have already said, that there has been a great abstraction of available capital from the usual purposes of trade; and my belief is, that the abstraction of that capital has mainly, if not altogether, caused the pressure which has been recently felt in the commercial world. I will proceed to show what amount of available capital has been abstracted from the ordinary purposes of commerce during the year 1846; and I think, after stating the enormous sums diverted from the usual channels in that year, the house will see sufficient cause for the pressure which has since been experienced. In the first place I will refer to the sums paid for the purchase of foreign corn. I wish the house to observe that, with regard to corn, as in the case of railroads, the abstraction of capital has proceeded in a most rapidly increasing ratio. I have a rough return prepared by Mr. Porter, whom I desired to collect the result, and he has done it, as I believe with very great accuracy. The cost of corn imported from June, 1846, to the 5th of January, 1847, was £5,139,476. The cost of corn imported from January to July 5, 1847, was £14,184,000; and the cost of corn imported from July 5 to October 10 (only three months) was £14,240,000. This is a statement of the cost to the importer. It will be seen that the cost for the three months ending the 10th of October was greater than that for the preceding six months. But during those three months the pressure in the money-market was the greatest, and may not this extraordinary amount of money paid for foreign corn account, in a great degree, for that pressure? Here then, we see, that no less a sum than £33,563,476 was expended for foreign corn within the space of 15 months.

Railway Speculation, another cause of the Panic.

In like manner, the demand for capital on account of railways has been equally great, and has produced equally serious effects. And here I may, perhaps, be permitted to correct a mistake into which I fell on a former night when speaking on this subject. I stated that the amount of capital sanctioned to be expended on railways in each of the years 1841 and 1842 was between £1,500,000 and £2,000,000. It appears that I was considerably under the figure. In 1841, 1842, and 1843, the amount sanctioned to be expended was, in each year, about £4,500,000; in 1844 it was £6,105,000; in 1845 it was £14,135,000; in the first half of the year of 1846 it was £9,815,000; in the last half of that year it was £26,670,000; in the first half of the year 1847 it was £25,770,000; and if the expenditure should proceed in the same increasing ratio, the amount sanctioned to be expended for the half-year ending the 31st of December, 1847, will amount to £38,000,000. These vast sums do not include one penny for preliminary expenses. It is clear, therefore, that on account of railways alone the amount of available capital to be abstracted from other purposes during the present year (including expenses) is no less

than £80,000,000 or £90,000,000. I will not now repeat the statement I made on the subject of railways on a former occasion. I am no enemy to railways; I do not question their utility, or the great advantage which they are to the country. I am fully aware that they give employment to great numbers of labourers, who consume articles to a large amount that return a considerable sum to the revenue. I will admit, if you will, that it is more beneficial to the public that the money should be expended on the making of railroads than that it should not. But that is not the question. The question is—what is one cause, at least, of the pressure which the commercial world has experienced? What is one cause, at least, which has abstracted from those engaged in trade a large portion of that capital which they have hitherto required to enable them to carry on their commercial transactions with energy? I say that one cause has been the absorption of a large portion of the floating capital of the country, hitherto employed in commercial dealings, and investing it in the construction of railways, thereby converting floating and immediately productive capital into fixed, and for a time, unproductive capital. I am not indisposed to agree with my right hon. friend the Lord Mayor of York (Mr. Hudson), that it might have been well for the commercial world if they had not accepted bills so largely, and had not carried on their commercial transactions to so large an extent upon credit. In that respect I am disposed to agree with my right hon. friend. But that is not the question. The fact is, that that capital which the commercial world had heretofore been accustomed to command was taken from them. They were deprived of the money necessary to carry on their commercial transactions; and again I ask by what means was this effected? It was by abstracting some fifty or sixty millions from the floating capital of the country, and giving it a fixed and permanent character. That appears to me the most important element in solving the question as to the cause of the pressure under which commerce laboured during the period to which I have been adverting. This drain of capital from trade to fixed investments was a system exceedingly unsound.

Loans "on Calls" in London another cause of the Panic.

Some large houses have failed because the produce brokers would no longer accept their bills, in consequence of their having overdone their credit. Those houses relied for a means of carrying on their business upon a system which was reprobated by the Banking Committee, of which I had the honour to be chairman, and which is disclaimed by many of the oldest and steadiest banking concerns, although practised to a great extent in the metropolis, in spite of the exceeding danger attending it, namely, the system of bankers placing large sums of money "at call," as it is termed, with bill-brokers in London. It is true that country bankers advance money at call upon sufficient security; but herein consists the safety of that proceeding, that whatever may be the aggregate amount of the deposits, the number of the depositors and the variety of interests which influence them render it extremely improbable that all, or even a large proportion of the deposits, should be drawn out at one and the same time. But the practice which prevails in London is different, and possesses none of the safeguards to which I have just adverted. The London bankers place large sums of money with the bill-brokers, but it unfortunately happens that the same circumstances which cause one banker to withdraw his money from the bill-brokers usually operate upon all other London bankers at the same time; and the consequence, therefore, is usually a serious derangement of commercial transactions. When we find that more than half the means with which parties carry on their business are deposits at call, it must be obvious that when circumstances arise to prevent bill-brokers from extending the usual accommodation to their customers, it will have an extraordinary effect upon credit.

His Approval of the Bank's refusal to make Advances, even on Government Stock, in October last.

I think that, after what I have addressed to the House, it is now in a condition to judge as to which of the two causes I before adverted to the failures that took place in August and September ought to be referred. On the one hand it is asserted that those failures were occasioned by the stringent operation of the Act of 1844, which prevented the Bank from issuing an adequate amount of bank-notes for the purpose of carrying on the commercial transactions of the country; whilst, on the other hand, I maintain that they resulted from an undue extension of credit which the capital of the country was unable to support. I have shown that there was no material reduction of the amount of bank-notes in the hands of the public—I have shown to how great an extent available capital was withdrawn from commercial operations to be otherwise applied, and I now appeal to any impartial and reflecting man to declare to which of the two alleged causes the failures (at any rate those which occurred up to October) ought to be referred. In October an occurrence took place which caused a considerable change in the state of public feeling. I have already mentioned that early in September the Bank issued, for a limited time, to the public, advances from the Government balances in their hands; of course that could be done only for a limited period, because the money would be required for the payment of the dividends. The Bank accordingly declared that they would lend the money only till the 14th of October. The Bank lent such sums as they deemed advisable, to parties whom they approved of, and the demand for loans had nearly ceased, when, on the last two days of September, an extraordinary increase in the demand took place. The usual demand had not exceeded £20,000, £30,000, or £70,000 a day, but on the 29th of September the calls for loans amounted to £149,000, and on the 30th to £362,000. On the 2d of October the Bank announced, not that they must prematurely withdraw any of the advances which they had made, but that they could not increase the amount of their advances, and that the loans must be paid within a specified time, in order that the money might be applied to the payment of the dividends. It is certainly the fact that the whole commercial world of London seems to have been surprised at this announcement, and looked upon it as being one of the most unjustifiable notices ever promulgated; but I hope that gentlemen in the City will forgive me for saying that it appears to me perfectly childish for any man in his senses to view it in that light. ("Hear," and a laugh.) It was a matter of notoriety that the money would be wanted for the payment of the dividends, and I may be excused for observing that, in the course of last spring, I expressly referred to such an occurrence as coming within the natural order of events. When in April last the pressure then felt was attributed to my having had recourse to deficiency bills, I stated that it was not the cause of the inconvenience complained of, because, whether the Government asked for deficiency bills, or drew their balance from the Bank, the effect would be the same, namely, that the accommodation which the Bank extended to parties must be temporarily withdrawn from them at the time the dividends became due. It must be obvious to any person who will consider the matter that this must be the case, and therefore the announcement issued by the Bank ought not to have taken any person by surprise. An impression prevails very generally that the advances of the Bank were very much limited after this period; but that is not the case. The aggregate advances of the Bank on the 25th of September were £4,725,000, and on the 9th of October they were £4,544,000, showing a diminution of not quite £200,000. In fine, the Bank, in the transaction in question, did only what was their bounden duty in recalling their loans, in order that they might be prepared for the payment of the dividends.

His Belief in the Beneficial Operation of the Act of 1844 in preventing Overtrading, Railway Expenditure, and Over-issues by the Bank.

If gentlemen wish to see bank-notes issued whenever they are asked for, it would be useless to contend with them. I wish to address myself to those who are desirous of maintaining the convertibility of the currency, and they will admit that, at some time or other, the issue of bank-notes must be checked. It has been said that there was no necessity for demanding so high a rate of interest as 8 per cent. at a time when the Bank had £8,000,000 in gold. Sir, we owe much to that £8,000,000. We did not take the step which we adopted till the exchanges had decidedly turned in our favour, and till the bullion began to flow in from abroad. And to what are we indebted for that £8,000,000 but to the operation of the Act of 1844? But for that Act I know of no security we should have had for the possession of any bullion in the country. (Cheers.) If the Bank had discounted advances at 4 or 5 per cent. is there any reasonable probability of their having had so much gold as £8,000,000 in their possession? During the whole summer the exchanges were barely in our favour, and only about £250,000, whether of gold or silver, was purchased by the Bank throughout that period. If it is argued that a want of capital or credit is to be supplied by an unlimited issue of notes, I should like to know what check can be applied to it? It is quite clear that, in the present instance, at least £30,000,000 would have been required. If there had been no rise in the rate of interest, and if railroads had found no difficulty in borrowing money at 4 or 5 per cent., the railroads alone would have swept away more than the whole circulation of the country. It was perfectly impossible that that state of things could have continued. Overtrading would have gone on for a much longer period—the demand for railroads would not have been checked so early—but sooner or later the time must have come when stringent measures would have been necessary on the part of the Bank, and the longer that state of things had existed the more sudden that check would have been. It is unnecessary to refer to more than the effect of the sudden check to show what would have been the effect on the trade and commerce of the country if that check had never taken place; for if the drain of bullion had gone on, if it had been diminished, as heretofore, by £2,000,000 or £3,000,000—the publications to which I have referred stating accurately the facts, week by week—does anybody suppose that, under those circumstances, the want of capital and the alarm now felt would not have taken the course of a run upon the Bank of England for gold? Former experience teaches us that that would have been assuredly the case, and proves the wisdom of those measures by which we have been able, without difficulty, to retrace our steps. Without those measures we should have been in imminent danger of cash payments, and we must either have come to Parliament or issued an order in Council, which is one of the severest measures we could have adopted to save the credit of the country. And if we have avoided that danger, and great it has been, it is to the operation, in the early part of the year, of the Act of 1844, that we are indebted for being saved from it. A pressure on the commercial circulation was perfectly necessary to avert that consequence, I fully admit; but, when that pressure was exaggerated into a panic, then, and not till then, we did not shrink from the responsibility of the course we adopted, and I believe that by that course we did avert the evil consequences that were likely to have taken place.

Conduct of the Bank Directors.

It is perfectly true that the amount of reserve in the Bank prevented any advance of cash upon notes to be issued to the public; at the same time it was perfectly consistent, I admit, with the provisions of the Act, and there was

no legal obligation on the directors of the Bank of England to act otherwise than they did. I think it would have been wiser and better if they had given a timely warning, but that evidently rested—I mean there was no obligation to do so—simply on the discretion of the directors, and I am far from saying that that discretion was wisely exercised. It is utterly impossible but that an establishment possessed of so large a capital can be most powerful either for good or for evil on the commercial interests of the country, and it is a matter of vital importance that the management of the Bank of England should be conducted soundly and wisely. I am afraid that recent events have somewhat shaken the confidence of the public in the direction of that Bank. It may be difficult to suggest a mode of improving that management; but of this I am sure, it is a subject well worthy of consideration, and one, perhaps, that may form a subject of inquiry by the committee which I am about to move for. I believe that although the Bank Charter does not expire for some years, the Bank parlour is not indisposed to concur in any measure which the wisdom of Parliament may suggest, for they find some difficulty, I believe, in inducing persons to undertake the heavy and responsible office of governors of the Bank of England.

Reasons for appointing the Committee of Inquiry.

I am anxious not to go further into any of those controverted points on the subject of the currency. I have referred to them, as I believe, no further than it was necessary for me to do, to illustrate the view the Government take of the present state of affairs, and what induced them to pursue the course they did pursue. I have stated, I am afraid at great length, the views which we entertain on this subject. I am not ignorant, however, that many persons of great authority, of great experience, and of great practical acquaintance with business, differ from the views I have ventured to state to the house; and that they differ also in no inconsiderable degree among themselves on this subject (hear, hear); and it is therefore most desirable that the opinions of all those gentlemen, differing as they do one from another on a subject of vital importance to the country, should be well and carefully considered. We think it inadvisable that so soon after events that have excited so strong a feeling, any attempt at legislation should be made, because upon no subject should more calm and impartial judgment be exercised; but we do think it expedient that inquiry should take place while all those events are fresh in men's minds. In the course of the last year and a-half phenomena have occurred which are calculated to throw light upon the subject and to illustrate the opinions gentlemen entertain upon it. I think few can say we have not learned something in the experience of the last eighteen months, and, for my own part, I think it most desirable that a committee consisting of persons of various opinions, taking very different views of this subject, should inquire into the matter, and, by the collision of their opinions, and the result of the evidence that may be laid before them, they may be able to throw additional light on this most complicated and difficult subject.

MR. JAMES WILSON (Editor of the *Economist*) moved as an amendment to the proposition of the Chancellor of the Exchequer, that the duties of the committee be confined to the enquiry, "How far the recent commercial distress had been affected by the laws for regulating the issue of Bank notes payable on demand." He agreed with the Chancellor of the Exchequer as to the necessity of appointing a committee on this subject, but thought that its enquiries should be of a more limited character than that proposed by the government. The subject referred to it for investigation was inconveniently extensive, and the time of the committee must be employed in consequence on many irrelevant matters. The motion of the Chancellor of the Exchequer would

entitle any gentleman to introduce to the committee any crotchet which he might deem to be the cause of the existing distress. He thought that the committee should confine itself to the Bank and the currency. The interference of the government with the act of 1844 had produced a want of confidence in the law, which required that it should be examined into. Everyone was now asking whether the act of 1844 was to be observed in its integrity, or to be modified according to circumstances, or to be abandoned entirely for another system, upon new principles. Such being the uncertainty of the public mind, it was fitting that the enquiries into the subject of banking and currency, which were left unfinished by the committee of 1841, should be resumed.

The Principle of Regulating the Internal Circulation by the state of the Foreign Exchanges erroneous.

What, he would ask, was the fundamental principle of the act under which the currency was now regulated? He believed that, on looking at the evidence which was laid before the Banking Committee of 1840-1, as well as at the speech in which the right hon. gentlemen, the member for Tamworth, introduced the bill, he was safe in saying, that the principle on which that bill was founded was, that the circulation of notes should be regulated by the foreign exchanges. He had taken the greatest pains in the world to discover, by an examination of the evidence laid before that committee—by a close examination of the speeches made in favour of the bill—and also by a close examination of everything that had been written in favour of it—and he must say he had not been able to find one reason to induce him to believe that they either could or should attempt to regulate the internal circulation of the country by the foreign exchanges. But on that account was it to be inferred that he would have bankers to neglect the state of the foreign exchanges? By no means. There were other reasons why bankers—not only those connected with banks of issue, but those connected with banks of deposit as well—why bankers of every kind should watch the state of the foreign exchanges as narrowly as a merchant watched the state of the exports and imports of the commodity in which he dealt, because the foreign exchanges indicated the increasing plentifulness or the scarcity of the article in which the banker dealt. As far as he understood the theory of the act of 1844 it was this—that as the exchanges fell the Bank should contract the circulation, that with the contraction of the circulation prices would fall, and that with the fall of prices an export of commodities would take place; our imports would be suspended, and thus the adverse exchanges would be regulated. This theory implied the power on the part of the Bank to contract or expand the circulation of notes at their pleasure; but that they possessed such a power he utterly denied. He denied that it could be shown by any kind of reasoning that the Bank of England had the power either to expand or to contract its circulation to any specific amount; for if it did so it could only be by substituting coin for notes; and that being the case, he for one would be glad to know how the Bank could be benefitted by an attempt to contract their paper circulation by the issue of sovereigns?

Suppose the Bank were determined to contract its circulation, by what means could it attempt to do it? Suppose they were to sell £500,000 of Exchequer-bills, or any other securities. They would send these to a broker; he would go to the Stock-Exchange and sell them, say, to five individuals, who would each give him a check for £100,000 upon his banker—possibly upon the Bank of England; but that would make no difference in the operation. Suppose the checks were taken to the Bank of England; if the parties who drew the checks held any deposits with the Bank the simple operation would be that their account would be debited with the checks. The deposits of the Bank would thus become less by that amount, and the Bank reserve would become more by that amount; but the circulation would not be affected. There

would not be a single bank-note taken out of circulation by the operation. Then, suppose the checks were taken to a banker in Lombard-street, and the broker's clerk were to ask for £500,000 of notes in exchange for the checks. It was well known that the bankers in Lombard-street were not in the habit of holding a larger amount of notes than was necessary for their reserve for carrying on the business of the day; and if they found that they had not a sufficient reserve to enable them to pay the £500,000 they would send the checks to the Bank of England, and bring the £500,000 notes back; so that the transaction would be a simple transfer of £500,000 from the securities of the Bank to the reserve in the Bank,—a mere conversion of £500,000 securities into £500,000 reserve. It would not affect the circulation one iota, so far as he could discover. The same kind of process would take place if the Bank of England were determined to increase its circulation. The Bank would, in that case, purchase securities. They would send their broker to the Stock-Exchange to purchase £500,000 worth of securities, which he would pay for in notes. It was quite true that for a few hours there would be £500,000 more notes in circulation than there were in the morning; but it was just as true that the five brokers who sold the £500,000 worth of securities would send the £500,000 either to their own banker's or to the Bank of England in the afternoon, so that, instead of the circulation increasing, all that would be accomplished would be that the Bank had added to its securities £500,000 and diminished its reserve by £500,000. The theory upon which the act was founded also assumed that convertibility on demand was not a sufficient guarantee against depreciation. He had yet to learn, he had yet to see any evidence whatever, that either in this country or in any other, where the notes were perfectly convertible at all times, at the pleasure of the owners, they were ever depreciated. He had yet to learn how they could be depreciated. Until he saw some reason why a man holding a £5 Bank of England note, and finding it equal to five sovereigns, could not have it exchanged for five sovereigns—until he saw that, he could not believe that a convertible note could possibly be depreciated. He was glad to be supported in this view by Mr. Horner, Mr. Huskisson, Lord Liverpool, Mr. Ricardo, and all the eminent writers prior to 1844; and, therefore, if he showed that a bank-note being convertible could not be depreciated, he had done sufficient to prove that bank-notes could not be issued in excess, and, if they could not be issued in excess, they could not be depreciated.

The Fixed Price of Gold.

The principle of convertibility was not now more generally granted than when the last inquiry was suspended, and there was another question which had been since started and become popular, supported as it was by many members of that house. There were many gentlemen who would now concede the necessity of a fixed standard of value, and the necessity of a convertibility of notes into that standard, yet there were others still unconvinced, who asked why there should be a fixed price of gold? This question had been very generally taken up through the country, and the attention which was now paid to commercial topics caused it to be frequently discussed. If it were really attempted by that house to fix the price of gold, or of any other commodity, he would stigmatize it as a foolish and futile endeavour, and he thought that it had been sufficiently shown of late years how ineffectual it was for Parliament to seek to regulate the price of corn or any other commercial article. When, therefore, it was inquired why we fixed the price of gold at £3 17s. 10½d. per ounce, his simple reply would be, that in the ordinary meaning of the term "price" we did not fix the price at all. He would answer that we only defined the division of certain amounts of solid gold into pieces, made into coins—that we merely determined that one ounce of gold should represent

£3 17s. 10½d. towards the fourth sovereign in coin. We no more attempted to fix the price of gold by saying that an ounce shall coin into so much, than we sought to fix the price of wheat, in enacting that invariably a quarter shall represent eight bushels. Gentlemen might turn round and say, "You do fix the price of gold, it is not altogether a measurement, for you have two prices—the Mint price, £3 17s. 10½d., and the Bank price, which is £3 17s. 9d." This was true, but the word "price" was again improperly applied. If a quantity of gold was taken to the Bank, £3 17s. 9d. would be obtained for it per ounce, the remaining three-halfpence being charged for the time and trouble which would be expended in converting the mass into coin. If taken to the Mint the full price of £3 17s. 10½d. would be received, but if a man, for his own convenience, preferred going to the Bank, then he would have to submit to pay those three-halfpence on each ounce as being fully equivalent to the time which otherwise would have to be sacrificed.

His opinion of the Advantage of repealing the Usury Laws.

The next question to which the public mind was becoming alive related to the Usury Laws. It was not uncommon, even in this day, to hear gentlemen of some intelligence advocating a recurrence to the Usury Laws; but he was convinced that, if the committee which had been moved for was appointed, it would have to report upon the extreme inconvenience of any portion of those laws being left in existence. He believed that there were many honourable gentlemen opposite (on the Opposition side) who would now bear witness to the inconvenience which landlords had recently experienced in having retained what they deemed a privilege to themselves, when they permitted merchants to pay more than 5 per cent. for their accommodation. Recently, too, inconvenience had been felt in Scotland from the impossibility, or, rather, illegality, of borrowing money on heritable securities at the current market price of money. There were, it was true, modes of evading this law; landlords might carry a Bill of Exchange to a banker and procure discount at 10 per cent., lodging heritable bonds as collateral security. But was this the way in which the Legislature should proceed? Was this the position in which the great landed and commercial interests of the country should be placed? Nothing had more contributed to the alleviation of late distress than the partial repeal of the Usury Laws; and so far from recommending their re-enactment, he believed that the advice of the Committee would be that Parliament should repeal whatever remnants remained.

Evils of a Double Standard of Value.

Another question which had engaged attention, and which boasted of the support of a noble lord whose authority was weighty, was with reference to the double standard advised to be established. Nothing astonished him (Mr. Wilson) more than to find men of sound knowledge, and of some acquaintance with commercial life and monetary transactions, advocating such an expedient as this. He did not know in what way they would propose to discharge their obligations if a double standard were permitted. Had such a standard existed no complaint would at this moment have been so popular against the Bank as that they had the privilege of paying notes in either of the more precious metals. It would have been a just and wide complaint that the Bank had the power to purchase gold and silver at one period by issuing notes, and to redeem those notes at another period in the cheapest metal if then happened to possess. Nothing, then, could be more conclusive than that they must maintain their single standard; and so, he felt assured, would the committee report to the house. During the last season, many gentlemen who imported the precious metals from abroad had been loud in representing the injury which was done them in not being enabled, at particular periods of pressure,

to convert silver into notes, and it was now becoming a popular proposition, that the Bank should be allowed to issue notes on silver, although it might subsequently be obliged to redeem them in gold. It appeared to him, however, very unreasonable to ask the Bank of England to issue notes on any commodity whatever excepting that in which it was bound to redeem them; it was equivalent to asking that they should issue notes on any other article the price of which might be subject to variation. And there was another reason why the recommendation of these gentlemen was unnecessary. The silver bullion which came into the country was more useful in the hands of private merchants for the purpose of regulating exchanges, than it would be if at the disposal of the Bank. If a quantity of silver was imported from South America, the importer, whether Rothschild or any other capitalist, made more use of the metal in correcting the exchanges of the continent than would be possible for it to be turned to if it were placed in the cellars of the Bank.

The State of Bankers' Deposits, and not of the Circulation, the proper object of Parliamentary enquiry.

He believed that those who brought forward the bill of 1844, as well as those who approved of the principles upon which it was framed, had fallen into the great error of confounding circulation with capital, and currency with bullion. He believed the restrictions which that law imposed upon the circulation of the country, if necessary, was necessary in so far, that the convertibility of notes was a strong and stringent guarantee against an excess of issue; but it had this tendency, it also had that evil one that it drew the attention of the public and bankers generally to the circulation of the notes, instead of that which he conceived was the more important subject—the condition of their reserves and capital. Unfortunately the attention of the legislature of this country had not been hitherto sufficiently called to the state of the deposits in the different banks. He believed that had one-half the attention been paid to the state of the deposits in the banks as was paid to the circulation, that the public would be more enlightened on this subject, and would thereby acquire an amount of prudence in the conduct of their affairs which, if it did not tend to prevent such a pressure as that which had recently taken place, would at least have materially mitigated it. The Bank committee of 1840 had collected some very important and useful documents. They had obtained from the banks of England and Ireland a return of the weekly state of their deposits for a number of years, and in these returns he found evidence of a most convincing kind of the extraordinary changes which took place in the amount of the deposits as affected by the mutations which had taken place in the commercial affairs of the empire at different periods. He had constructed a table which would show the variations which had taken place in the state of these deposits at two different periods. The year 1838 he selected as a year of ordinary prosperity. In the latter part of that year the country had recovered from the effect of the defective harvest of the previous year, which had caused a flow of gold out of this kingdom. At the period he took for his calculation, the last quarter of 1838, a prosperous re-action had set in. The bullion in the Bank had increased from £4,000,000 up to £10,000,000, and the rates of discount had fallen to their ordinary level, so that it might be taken as then representing a time of ordinary average prosperity. Now the quarter which he would contrast with that was the last quarter of the next year—namely, 1839, during which they had also a large importation of corn, and a corresponding efflux of bullion, and when the Bank of England, in consequence of the pressure upon it, was obliged to have recourse to the Bank of France for assistance. He had, therefore, for a comparison of the state of the deposits in the different banks, taken the last quarter of 1838 as a year of average prosperity, and that

of 1839 as one of distress. The honourable member then proceeded to read at length and detail the results given in the subjoined table, which will convey at once the substance of this portion of his speech:—

Average Weekly Deposits of the Quarters from Oct. 1 to Dec. 31, 1838 and 1839:—

BANK OF ENGLAND.

	1838.	1839.
London Bankers	£812,000	£615,000
Private or other deposits	3,020,000	2,122,000
Branch Banks	592,000	451,000
	<hr/> £4,424,000	<hr/> £3,188,000

BANK OF IRELAND.

	1838.	1839.
Private deposits	2,234,000	1,834,000
Agency deposits	486,000	391,000
	<hr/> £7,144,000	<hr/> £5,413,000

That statement would show a reduction of no less than 25 per cent. in the deposits of the two periods. He was then naturally led to ask what was the bankers' trade? Merchants in order to carry on their trade were obliged to get their bills discounted; and not only that, but the rate of discount was of importance to them. It was their interest of course to get them as low as they could, and this was the banker's business. Now, the only funds the banker could draw on were his capital, his circulation, and his deposits. The two first of these items were the same in amount; but the great power of the banker in being able to afford accommodation to his customers consisted in his deposits. Now, if they found in these deposits a decrease of 2,500,000*l.* within a certain time, taking place in two banks alone, what would be the amount of the decrease taking place at the same time in the whole of the banks throughout the kingdom? What decrease must have taken place in the banks of Scotland, in which about 30,000,000*l.* were said to be usually deposited? If this was moreover extended to the 1,600 branch banks in the United Kingdom, must it not have been a case of extreme pressure when such a reduction of the power of affording accommodation took place? But if such an effect had been produced by a bad harvest only in 1839—by one solitary cause, what then must be conceived to have been the reduction of the present year, when not only an immense amount of money had been drawn away by a heavy importation of corn, but a large expenditure of capital had been going on in railways at home? He believed that reckoning the number of banks in the country at 1,600, not less than 200,000,000*l.* was the amount of deposits paid into all these branches; while the average deposits of the Scotch Banks was about 30,000,000*l.* more. He admitted that the amount of the deposits in the Banks of Scotland was larger than in other parts of the United Kingdom, because they were made use of in the same way as the funds were in England, and allowed interest. The number of Banks in Scotland, too, was equally large, there being about 400 branches altogether. He believed that the crater into which we had fallen had been on account of the attention which we had paid to circulation, and not capital, this last being represented by the amount of deposits in the hands of the bankers. He might be asked why it was he had said in the early part of his address that the bankers of this country ought to keep a rigid and constant eye on the rate of the foreign exchanges. His answer was, they should do so, in order that they might know to what extent

their deposits were likely to be drawn upon, and what was likely to be the demand for their capital which would be made upon them by their customers; and thus they would be enabled in time, if they saw a prospect of money becoming scarce, to raise their discounts in proportion, and in due time—and this, he thought, would have a most beneficial effect in preventing a drain from going on.

Mr. T. BARING was anxious that the debate should not close without his having an opportunity of making a few observations on what had fallen from the right honourable gentleman, the Chancellor of the Exchequer, with regard to that portion of the pressure which he had attributed to commercial recklessness and overtrading. He (Mr. Baring) did not deny that many errors had been committed by the trading community; but he was one who contended that they could not attribute the pressure that had weighed on every portion of the community to overtrading,—that they could not rest the cause of that pressure entirely on overtrading or want of capital. He would not deny that there had been great errors, because he believed that they could not examine the affairs even of the most prosperous and opulent houses, without being able to put their fingers on a number of blunders that they might have been guilty of. If they were to look even into the Bank of England they might find it guilty of blunders; and indeed the right honourable gentleman had that evening charged the Bank of England with having overtraded with Government deposits. (A laugh.) He believed he might even point to the right honourable gentleman the Chancellor of the Exchequer himself, and show that, in the spring of the present year, he had overtraded with the credit of the country (hear, and laughter), by throwing a large number of Exchequer-bills upon the country, which there was not demand enough for, to keep from a most disgraceful rate of discount. (Hear, hear.) The right honourable gentleman had indeed committed several blunders, which, if committed by a small trader, would inevitably have put him into the *Gazette*. (Laughter.) He charged the Bank of England with not seeing, in August, the turn which the foreign exchanges must take,—with not foreseeing the state of trade, and the demand for bullion that would follow the state of the exchanges. But what did the Chancellor of the Exchequer himself do? He made no provision for the large number of Exchequer-bills that he knew would fall due in March, though various indications were given him and the country that they would come upon the market, and that their amount was too vast to be profitably met. The right honourable gentleman said the Bank of England ought to have been aware of the high rate of interest that was to exist; but that right honourable gentleman himself refused to allow the anticipated payments to be made at the rate of 3 per cent., though in three months afterwards he was obliged to ask for payment of the instalments at the discount of 5 per cent. (Hear, hear.) It appeared, therefore, that overtrading did not exist alone with the Bank of England, but that it pervaded the department of the Chancellor of the Exchequer himself. (Hear.) But, said the right honourable gentleman, a great portion of the pressure they had experienced was to be attributed to overtrading in corn. He agreed with the right honourable gentleman that there had been great over-speculation in grain. He was one who had been fully persuaded that our wants as regarded food were much exaggerated, and that our power of supplying those wants was vastly underrated. But if they asked him who encouraged those unfortunate individuals who had paid the penalty of their bad speculations, undoubtedly he could not say that the right honourable gentleman and the Government were free from blame in the matter. (Cheers.) He did not say they did so willingly; but certainly every one of their measures went to persuade the mercantile community that they could not bring in too great a quantity of food to supply the wants of the country in 1847. (Cheers.) The noble lord at the head of the Government said, the failure of the potato crop was tantamount to a loss of £16,000,000; and

what, from these statements, and from the whole character of the measures proposed by Government could the individuals engaged in the trade imagine but that, according to the best sources of information from all parts of the kingdom, as put forth by those who ought to know all, they were justified in risking their capital to buy grain at enormous prices, and that thereby they would be enabled to meet the demand which the Government had so wisely foreseen?

Effect of the Bank refusing to make Advances on good Securities.

It was, he contended, a heavy charge for a leading Minister of the Crown to make, that all this pressure had been produced by overtrading. He seemed to think that it was only those who had failed that had suffered,—that it was merely those who had been overtrading who felt the pressure; whereas the real fact was that the suffering had been shared by the solvent portions of the community, just as much as by those who had overtraded. And what the commercial body asked—not, as the right honourable gentleman said, that they might be saved from their own errors—was, that there might be means of making property liable to meet engagements that the misfortunes of the country brought upon them. What was the great complaint among commercial men? It was, that in certain circumstances, by the present law, it was impossible for the Bank, whatever it might foresee in the course of trade, to make advances upon the most undoubted securities, or to continue its discounts. That was the great difficulty, and it was a difficulty that insolvent houses did not feel, because if they had no undoubted securities they were not touched by these restrictions. It was those who were prepared with Exchequer bills—persons who had been too thrifty and provident to invest their capital in a manner that would not be available, but who had resolved to keep themselves safe against all contingencies by holding Exchequer bills, seeing these could be made available at the most pressing moments and on the most sudden emergencies;—it was persons like these who suffered by the operation of the present law. Surely that was not a satisfactory state of things, and the commercial body had, therefore, a right to complain. He was not surprised to hear the right honourable gentleman pass his eulogium on the act of 1844. He knew that he had been one of the ablest supporters of that act: he had pledged himself to the wisdom of that measure, and he knew him too well not to be sure that he would follow the principle of that bill, especially as he no doubt anticipated from it a beneficial result; but he certainly was surprised to hear, after his praise of the bill of 1844, that he should be the individual to move for a committee of inquiry. That surprise, however, disappeared at the conclusion of his speech, when he told them that the great object was to inquire into the composition of the Bank parlour. They were to appoint the committee, composed of persons of every opinion, from which fact they were sure of getting no opinion at all; and the only evil on which the right hon. gentleman had put his finger was the composition of the government of the Bank. That he thought a very minor question. It might be open thus to criticise the conduct of the Bank, but this was evident, that though many of those who took a share in the administration of the affairs of the Bank were unfortunate, no improper aid had been given by the directors to members of their own body. The trust reposed in them had not been employed for any such improper purpose. One of the arguments in favour of the bill of 1844—for which he voted, from confidence in those who proposed it, and as an experiment—was that, by separating the banking and issue departments the machinery of the banking department would not be capable of producing so greatly injurious effects on the community as before. It was not supposed that the bill of 1844 would prevent misfortune in commercial matters; but it was held out that by its operation, and by the rules laid down, the arrival of

those crises would be seen, and, if not prevented, that their severity at least would be mitigated. It was said by the right hon. baronet (Sir R. Peel), when it was proposed to put the power of relaxation in the hands of some one, that it was better to prevent those paroxysms before they occurred than to give any one the power to check them. Experience, however, had shown that in this it had failed, and that the bill of 1844 had not prevented the arrival of a crisis. Experience had also shown that it had not mitigated that crisis, and that to check it,—to stop the crisis,—required an infringement of the act. (Cheers.) A violation of the law, indeed, had been found absolutely necessary.

The Bank Act had increased the severity of the Pressure, and caused commercial distress.

He believed the commercial body wished to know whether the power lately exercised was never to be exercised again till the same occurrences took place—till deputation after deputation had been heard—till failure after failure took place—and some, he believed, who had already failed would never have done so but for the Act of 1844—till failure after failure again occurred, and no relaxation, no hope was to be given, till some dozen bankers of the city of London were forced to tell the Government that if something was not done there would not be reserve notes left in the Bank to meet the wants of the establishment, and then, when the Bank was in a position to be able to do worse than nothing, the Government would say it was prepared to give relief. The country wished to know if that was the system on which we were in future to act. That the Bank of England would carry it through he had no doubt. There were ample powers in the Bank of England to save itself and its gold, though it was spreading ruin and distrust abroad. He did not call that a working measure. It was not a practical measure, or a measure that was practicable. What they required was a measure that would not foster speculation, and, while it did not foster overtrading, was yet in a position to give power to solvency, and would afford means for capital to meet its immediate engagements. (Cheers.) The right honourable gentleman seemed to think very lightly of what had occurred, because the letter of the 25th of October dissipated all the alarm. Now, that letter certainly did not provide money, it did not lead to over-trading, but it gave the promise of property to the solvent, and said to them, that if they had first-rate securities they might obtain money, though at a high rate of interest. The very success of this measure was the severest criticism on the stringency of the act of 1844. Sir C. Wood had proposed a committee to inquire into its operation, and into all other questions. What would be the result of such a committee? That the evidence would be reported without any report from the committee,—that the Government would take the recess for deliberation—and that the country would be left under the strict regulation of an act which had been tried and found wanting in one important particular. He then proceeded to show that much evil would have been remedied if the Government letter had been written three weeks earlier, and if the rate of interest had not been fixed so high as 8 per cent. He could not go willingly into this committee unless he received an assurance of what the Government intended to do in case a crisis should occur during its continuance. He thought that a discretion should be given to the Government and the Bank directors to suspend the act of 1844 until this question of the currency was settled one way or the other.

Mr. ROBINSON could not help regarding this proposal to appoint a Committee as a tacit admission that the law at present existing respecting the currency required revision; and as an admission also that the free-trade measures had been a complete failure. Like the honourable member who had last spoken, he could see no probable end to the proposed inquiry, and would therefore much prefer the appointment of two committees, one to inquire into the

question of the currency and the operation of the bill of 1844, and the other to investigate the effect of the late free-trade measures. He certainly was greatly astonished to hear the Chancellor of the Exchequer attribute the recent failures to the imprudence of parties themselves, who had embarked in speculations totally beyond the reach of any reasonable control, when he recollected how such operations had been stimulated by the conduct of Government itself. What did Mr. Huskisson say in 1825, when these free-trade measures were first introduced? He said, let foreign countries only see us, year after year, largely remitting the public burdens, and at the same time exhibiting a prosperous exchequer, and he had no doubt, when the nations of the continent had contemplated for a few years longer the happy system on which they were then proceeding, their eyes would be opened, and they would then believe us sincere and consistent in our principles, and, for their own benefit, would imitate us in the same liberal policy. What had been the result of this prediction? The most bitter disappointment. The manufacturers had been the great promoters of the recent changes, and he believed they were now suffering from them. He did not deny that some inquiry was necessary, but he wished to have the committee divided, because he felt certain if the motion was granted that the whole session would pass away in a useless inquiry, without arriving at any satisfactory results. (Cheers.) He believed that we were now feeling the full effect of the large national debt contracted during the war. At the end of the war we were left in a condition which might have been—it was—envied by all other nations; but by a series of unwise legislation and misgovernment we had thrown away the greater part of those advantages, and we were now in a condition but little likely to excite either the envy or the admiration of the rest of the world. The whole of this free-trade policy had been founded on the belief or the hope that our example would be followed by other nations. True, the right honourable baronet the member for Tamworth had said that he was prepared to follow out the principles of free-trade to their fullest extent, whether foreign nations adopted them or not; but unless we stopped in our mistaken liberal commercial policy, and adopted a system of reasonable protection, he questioned how the revenue could be raised. After thirty-two years of peace, we found ourselves with a deficient revenue, and a permanent income-tax, and were threatened with an increase of that tax to make up the present deficiency. He remembered when he (Mr. Robinson) brought forward a proposition to impose a property-tax in aid of the revenue, accompanied with a remission of some taxes which pressed on the necessitous part of the community, the right honourable baronet, who opposed the motion, told him that he considered it monstrous to propose an income-tax in a time of peace, alleging that it was a tax to be held in reserve for the exigencies of war, and yet he had lived to see that right honourable baronet, among other extraordinary changes on his part, authorising an income-tax in time of peace. (Hear, hear.) Amongst other causes, the alteration in the sugar duties had had no inconsiderable effect in bringing down some of the great houses; and a further perseverance in free-trade measures, they might depend on it, would lead to further disasters. Was he asked if he desired a recurrence to monopoly? Certainly not. He only wished to see that protection afforded to the agricultural, the West Indian, the manufacturing, and the shipping interests which was necessary to afford employment to the labouring population dependent on them. He did not blame the Government for their interposition during the monetary crisis; if any blame attached to them on that head, it was for not interfering at an earlier period. He hoped if the committee were appointed in the manner proposed, that it would be a committee selected from amongst those members of the house who by their talents and their knowledge of the subject were best calculated to serve upon it and to advance the public interests. Much blame had been

attached to the Bank of England for the course they had taken, but he was of opinion that in the difficult position in which they found themselves placed, they had but exercised a very prudent discretion. Unless the currency of the country be enlarged, he thought that they must be subject to periodical crises and difficulties. He considered that they had committed a great error in 1819 when Parliament had adopted an exclusively gold standard. It would have been much wiser and more prudent if they had kept up the old standard of gold and silver, instead of resorting to gold alone. If, then, the difficulties of the country were to be attributed to the existence of this exclusively gold standard, how much were those difficulties increased by the suppression of the small notes? As to the danger that was apprehended of going into an excess by the continuance of the small note system, every fear on that ground might have been dissipated by the enforcement of proper regulations. It was his opinion that they ought to restore the standard of value as it existed prior to the Bank restrictions of 1797. Let them protect their Indian, colonial, and domestic interests generally, as it was their duty to do, and they should have nothing to fear from any foreign legislation. (Cheers.) The house was aware that there had been a movement lately by a very small party in France in favour of free trade. Within the last month a resolution had, however, been adopted by the Chamber of Commerce at Paris, declaring their determination not to encourage the produce of any other country to the prejudice of their own. The British ambassador at Madrid had been lately obliged to remonstrate with the Spanish Government against a decree that was framed in that country hostile to British produce. Every change that had been made within the last few years in America and France was with a view of encouraging their own manufactures and of promoting their own revenue. They had been frequently told of the many demonstrations made in favour of free trade, and the warmth of the reception that had been given to the hon. member for Stockport (Mr. Cobden) as he was passing through the many foreign countries he had visited in his late tour. This, however, could not be fairly considered an argument in support of the general popularity of those principles; for the fact was, that in all those countries to which reference was made, the hon. member for Stockport had been met only by persons who were deeply interested in every movement that gave them access to the British markets, and who possessed no influence whatever in the government of their own country. (Hear.) He defied that hon. gentleman, or any other hon. member of this house, to show him a single change that had been made in the tariffs of those countries, the tendency of which was to benefit the manufacturing interests of England. (Hear.) If he were satisfied that such a change had taken place, he might be disposed to thank the legislature of this country for what they had done in respect to free-trade principles. They had made many attempts to obtain concessions from other governments, but without the slightest success. Indeed, he should wish to know from the noble lord the Secretary for Foreign Affairs, whether in any part of his extensive correspondence there was even one paragraph that could give them reason to hope there was the slightest chance of success of obtaining encouragement for the manufactures and produce of this country. He knew that there was no such hope to be entertained. He, therefore, implored the house to abandon altogether that mistaken and absurd policy of, by the sacrifice of our best interests, endeavouring to induce other countries to follow the example set by this—which example they considered that they ought rather to avoid. The honourable gentleman concluded by observing that, instead of the house agreeing to the proposition of the right honourable the Chancellor of the Exchequer, it would be much wiser for it to see how they could extricate their commerce from the many difficulties that pressed upon it, by appointing two committees, the one to consider the currency question, and the other that of free trade. (Cheers.)

Sir W. MOLESWORTH contended, that the pecuniary embarrassments of the country were to be attributed to artificial causes, and could not be traced to any deficiency of currency. It was not currency we stood in need of, but capital. We ought, therefore, to diminish the demand for capital and to increase the supply of it; and this could only be done by putting a stop to the construction of railways, on which capital was expended, and by attracting it from other countries to Great Britain, by the temptation of large interest. He thought that the conduct of the Bank had brought the country into peril, and that no censure could be cast upon the Government for the advice which it had tendered to that establishment on the 25th of October. One word from the Government on that occasion had settled the panic and had restored confidence. But nothing which they could do at present could relieve us entirely from embarrassment, for the causes of that embarrassment were beyond their control, and we must live like men who had expended our means until we had restored them by economy. He then went over the grounds previously trod by the Chancellor of the Exchequer, contending that the distress under which we were suffering was not caused in any respect by the act of 1844.

Mr. CAYLEY observed, that the speech of Sir W. Molesworth might be traced to certain articles of the leading journal, and threw out a hint that that speech and those articles must both have emanated from the same mind; for there could only be one man so bold as to assert that our evils were not attributable to the act of 1844. Sir William had gone over the grounds of the Chancellor of the Exchequer, and had stated that it was not a deficiency of currency, but of capital, that had created our distress. His own impression, after seeing the effect of the Government letter, was, that if our commercial difficulties had been occasioned by a deficiency of notes, they would have been relieved at a less cost if Government had interfered earlier. A committee might be a satisfactory mode of examining into the causes of distress; but it might be granted for several reasons; for instance, for giving "the go-by" to an adverse resolution; and he was almost inclined to think that that was the object of proposing it now, as he had put upon the books a resolution condemnatory of the act of 1844. He hoped that if a committee were appointed, it would institute an inching inquiry, and would not be made an instrument for deluding the country with a concocted and preconcerted report.

Mr. URQUHART thought the gravity of the position in which the country was placed had been lost sight of by most of the preceding speakers. After taking what he called a preliminary view of the position in which recent legislation had placed their banking and monetary affairs, he observed that the Chancellor of the Exchequer, by referring to railways as the cause of the existing embarrassment, had attempted to lead the house away from the real question before it—namely, whether the Bank Charter was not the cause of the present distress. He denied that railways had anything to do with that distress, for no capital was abstracted by these undertakings from the capital of the country. It was equally preposterous to ascribe it to the money which was sent abroad to purchase grain. It had been urged that the demand for foreign corn would inevitably bring about a demand for their manufactures, but he would tell them why it was not so—because they had a fixed price for gold. Now in that house the absurdity was, that they advocated free trade in all other commodities—they objected to any restrictions, and yet they left gold tied and chained down.

Effect of a fixed price of Gold.

How was it that the demand for foreign grain had not caused a corresponding demand for British manufactures, instead of a demand for Mexican gold? How was it that instead of trade being extended, to the extirpation of agri-

culture, there was an entire disappointment of that anticipation? Both parties were wrong in their calculations of cause and effect. The real cause was the fixed price of gold. How was it that in the time of the war there was no difficulty on this head? The reason was, that this country paid a less price by one-third for gold than it did at this moment, in consequence of the Currency Act not being then in existence. And if that system, which had carried the country through the war, had not been broken down on the peace—if the country had not entrusted itself to the mercies of a bad currency committee, and the guidance of the right hon. baronet the member for Tamworth, it would now have to pay one-third less in weight of its gold than it did at present. The effect of paying one-third less would be practically to pay none at all (hear, and laughter). If gold had been exported at that rate the foreign corn merchant would not have a bonus on it as he now has, while the British merchant would not have an embargo on his goods. By the arrangement consequent upon the currency law, the English manufacturer was excluded, to a great extent, from sending his wares abroad; and hence the country had to pay in gold for what was imported. This it was that had smitten down the fortunes of state, and brought the country to the very verge of bankruptcy. It had been made a matter of congratulation, at the time when the present system was introduced, that it had not been made a question of party, but he regretted that such was the case, for the result had been that the monetary arrangements of the country were left at the mercy of usurers and money-lenders, who had taken care of their own interests, at the expense of those of the country. He complained that the currency system, under which they staggered, usurped the functions of that house, withdrew from them a control over the taxation of the country, and interfered with the prerogative of the sovereign. For his part he should meet with a direct negative the motion of the Chancellor of the Exchequer, and he called upon hon. members to emancipate themselves and the country from the control of this iniquitous system.

Mr. E. ELLICE hoped the house would not be led away by the declamation of Mr. Urquhart, but bring back the question within its practical limits. He certainly thought it most extraordinary and unaccountable that these periodical commercial convulsions took place, shaking industry to its centre, and bringing masses of men to periodical ruin. It appeared to him that standards of value and paper currency had little to do with the question before the house, because these matters were determined by the bill of 1819.

Evils of a Fluctuating Standard of Value.

He doubted whether the remedy would be found in a fluctuating standard. By what means, under such a system, could we carry on the commercial transactions of this great country? We must have a standard of value, by which all our relations must be regulated. If the honourable gentleman would have told the house how they were to use a fluctuating standard—how it was applicable to this country, or how in the history of any nation such a state of things had ever existed, without bringing that nation to ruin—he should have been more willing to enter into the argument of the hon. gentleman, who, however, had led the house far from the question which was before them. With reference to the act of the right hon. baronet, and the resolution which preceded that measure, he did not question its justice, though he thought there was as much injustice as justice in that resolution. He did always think it an unfortunate circumstance that, after we had incurred enormous debts, and after the relation between debtor and creditor in regard to the property of the country had been so entirely changed, that a resolution should have been come to at last that we should revert to cash payments and to the old standard of value. He thought at the time that that resolution was taken, that a difficulty would be found in

accomplishing it. He had not changed his opinion, standing there in that house; but it was too late to go back. In reference to the measure of 1819, the right hon. baronet was not to be saddled with either the merit or the demerit of the resolution. The right hon. baronet found the currency deranged at the time of the termination of the war, and the measure of the right hon. baronet was intended to carry out in good faith that which parliament had determined upon. Upon that occasion the only quarrel he had with the right hon. gentleman was this—he represented to the country that the whole burden which was to be imposed upon it by the bill was to be measured by the difference between the then price, £4 1s. and £3 17s. 10d. He (Mr. E.) moved an amendment to that proposition, that there should forthwith be a return to £3 17s. 10d.; and that the public should not be deluded with respect to the burden to be imposed upon it. Bound as he felt himself by the majority of the house, he had been amongst the foremost members to endeavour to maintain it. The hon. member for Birmingham (Mr. Muntz) said it could not be maintained. That might be his (Mr. Ellice's) opinion still, but parliament was bound to maintain it until an emergency should arise which would put it beyond the power of the nation faithfully to fulfil its engagements. The hon. gentleman then referred to the events connected with the monetary affairs of the country that had occurred since the close of the war—the attempt to return to cash payments—the crisis of 1816, when they were obliged to have recourse to measures of expansion, the bullion being in a state of exhaustion; and then came Sir Robert Peel's bill of 1819. He then referred to the attempts to supply the deficiency of bullion, and the scenes that took place in 1822, 1823, and 1824, coming down to 1825, when the Bank of England, with £30,000,000 of paper afloat, was within a few hours of stopping payment. The measure of 1844 was devised for the purpose of preventing these alarming crises in the monetary world, and he had given his support to that measure, although at the time he had stated that he did not anticipate it would be efficient for that purpose. He had no objection to the proposed committee, because he thought it important that they should have the best information on the subject. He did not attribute these embarrassments to railroads; they were only a symptom of the speculation that was afloat, and were calculated to be ultimately highly beneficial to the country. One of the most essential points to be inquired into by the committee, was the dealings of the Bank with public securities, a thing altogether novel and unprecedented. He thought this system ought to be at once put an end to. He differed with his right hon. friend in his estimate of the act of 1844; he thought it had worked most unsatisfactorily, but how to amend it was another question which they would be much better able to understand after the committee had investigated and reported upon the subject.

Mr. NEWDEGATE was satisfied that if the currency of the country had been placed upon a sound basis they might afford to laugh at their railway expenditure. He denied that it was the insatiable absorbent of capital which some persons imagined it to be. It had now been fairly shown that our free-trade system had a tendency to induce the export of bullion, and entail upon the commerce of the country the difficulties in which it was at present placed. Under that admirable system, their exports had fallen off to the extent of three millions sterling during the past year, and one million in the last month. He was glad to find that the Government had decided upon a thorough investigation of the whole case; but while the committee was involved in an inquiry into the intricate labyrinth of our difficulties, were they in the mean time to submit to a continuance of the pressure? He hoped, considering the peculiar position of the country and its prospects, that the Government would take advice in time, and remove a portion of that load which still pressed upon the springs of industry. He agreed with Mr. Urquhart as to the impolicy of being placed, as their system of currency placed them, at the mercy of a

foreign potentate. The house should at once grant the relaxation called for by the condition of the country, a course which would rescue it from the humiliation of borrowing from every state in Europe. The pressure was not produced by any real contraction of the circulation, but by the discredit thrown upon the action of the banking department of the Bank. He thought the framers of the bill of 1844 had failed in the provision they had made for a contraction of credit preceding a contraction of circulation. By that law they had occasioned a pressure, which had entailed enormous loss upon the commercial interest of the country. He trusted, in the face of the appalling bankruptcies and failures that had taken place, Her Majesty's Government would manifest no dogmatic adherence to so unpolitic and oppressive a law, which put a dangerous power into the hands of the Government, by placing, in fact, the value of all property at its disposal.

Mr. MITCHELL expressed his concurrence in the views of Mr. Edmund Ellice, and trusted the result of the labours of the committee would be to place the monetary concerns of the country upon a sound and satisfactory basis.

Mr. DRUMMOND denied that the repeal of the corn laws had anything to do with the existing pressure and distress. He could not say so much for railways, as well as he thought the present as well as the late Government were much to blame for having allowed them to go so far, more especially after the warnings they had had from their own board. Unfortunately when a railway was once undertaken it must be finished, and he feared they would not see the end of them until there had been some great sacrifice of the landed property of the country. Much had been said about over-trading, and it appeared to him that no system of trading could be sound or healthy in which a man, with £10,000 capital, borrowed and obtained credit to three times that amount. The hon. gentleman concluded by pronouncing a vehement philippic against the innovations and changes of the present times.

Mr. MACGREGOR could not sit silent, representing the constituency he did, whilst the commercial distress of the country was under discussion. A variety of causes had been attributed for the present state of things; but he differed in degree with them all, though he admitted that his right honourable friend the Chancellor of the Exchequer had stated his case with very great ability. He was of opinion that the loss of the potato crop was one of the causes, and he admitted that over-speculation was another. The loss of the potato crop extracted large sums from the circulation, it was true; and parliament, in his opinion, had passed a greater number of railway bills than he considered wise or proper. But still, he did not attribute the distress of the country to investments in railroads so much as to other causes; for it was an undoubted fact, that during a period of distress unparalleled in the history of the country, the employment afforded by those undertakings had greatly alleviated the extent and character of the suffering. Neither did he attribute the calamity which had overtaken the country to the act of 1844; though he was free to admit that there were grave defects in that measure, and that in its operation it would be found so inconvenient as to call imperatively for a remedy. The currency, he held, in accordance with that act, should be convertible into gold; but the restrictions imposed upon the circulation by it he looked upon as most grievous to the trade and commerce of the country, and of all other things the most conducive to the production of the present distress. His right honourable friend (the Chancellor of the Exchequer) had, however, in his statement attributed a character to the Scotch banks which he (Mr. Macgregor) did not think they deserved. On the contrary, he believed that the progress and improvement of Scotland, the establishment of her manufactures, and the development of her industrial resources, her prosperity, in short, were to be attributed to the system of banking in that

country, combined with the industry and economy of the people. The best test of that system was to be found in the fact of the few failures that had taken place under it; and also in the fact that, of those few, nearly all paid their obligations in full. The honourable member then read an extract from Mr. McCulloch's 'Statistics of the British Empire,' approving of the system of Scotch banking, and to the effect of his own statement. He also read another extract, from a pamphlet published in 1844, by the Lord Provost of Scotland, with the same purpose. Since the period of the establishment of the Royal Bank of Scotland, in 1727, no country in Europe had more thoroughly developed all its resources, agricultural, manufacturing, and mineral, than Scotland had done. It carried on a most extensive foreign commerce; its steam-boats were the best-built in the world; its agriculture had been immensely advanced; and all this had been done under the influence of the system of banking that prevailed in Scotland. He (Mr. M'G.), in conclusion, wished to see a system of currency based upon gold, certainly, in Scotland, as well as in this country; but he was sure the returns he had moved for on a former night would show that no better system of banking existed than that which prevails in Scotland.

Mr. SANDERS thought it a great mistake to attribute the recent commercial embarrassment to the outlay upon railways, the only effect of which had been to diffuse the hoarded-up capital of the country throughout all departments of trade and industry. He contended that the currency of the country was inadequate for the wants of a great trading community. He thought the great cause of their embarrassment was the large importations of grain that had been required to supply the deficiency of the harvest of 1846.

Sir W. CLAY agreed as to the propriety of the appointment of the committee, and, provided they could limit themselves within manageable bounds, anticipated much good from their investigation. He hoped, however, the house would not be led away by the expectation of any immediate and decisive result. The utmost that legislation could effect for the monetary condition of the country was rather the arresting of evil than the originating of good—the preventing of a gratuitous aggravation of adversity than the initiation of prosperity. Legislation could not add one pound to the capital of the country; the utmost it could do was, while making use of a paper currency, to prevent its over-stepping its legitimate and wholesome limits. So far from the recent embarrassments having created any distrust in his mind as to the act of 1844, they had only confirmed him in the value and importance of its provisions. He believed the Government deeply deplored the necessity of violating the provisions of that act; but the necessity, it was admitted on all hands, had arisen, and their justification lay in their interfering just at the right time. He must say, however, that it was impossible to avoid thinking that the monetary system of a country must be unsound which could have permitted the existence for so many years of houses whose condition was so deplorable as that lately laid before the public.

Mr. MASTERMAN said it was not his intention to address the house at that late hour, but for an observation made by the honourable member for the Tower Hamlets (Mr. Clay). Many reasons might be given for the recent commercial distress. As, however, a committee would be, no doubt, appointed to take the subject into their consideration, he thought it would be more proper for him to wait until they had made their report before he troubled the house with his views upon the matter. As, however, the honourable member for the Tower Hamlets had greatly underrated the act of the government in their letter of the 25th of October, he (Mr. M.) was anxious to bear his testimony to the credit they deserved for interfering as they had done to prevent that fatal calamity that must otherwise have ensued. He believed that this

country was never before in so serious a position as it then was. It was his duty to request an interview with the government, and he represented, on the occasion of such interview, strongly to the noble lord the situation in which the country was then placed. He did not think it was the want of money that was then experienced, but the apprehension that no money was to be obtained. He thought that there was no real cause for such apprehension. There was plenty of money in the country, as he had remarked to the noble lord. The question put to him at the interview was this—"Had you not a large amount of notes in circulation?" His answer was—"There is a large number, no doubt, out, but they could not be considered in circulation, because they were locked up in all directions, and were not available for commercial purposes." Although he had advocated the expansion of the Act of 1844, he did not do so from any idea of reckless extravagance, or of encouraging persons that traded upon fictitious capital; but he supported such expansion for the purpose of assisting those mercantile houses which had that kind of security to offer which at all other times would command money. He knew that the efforts of those houses were paralysed. He therefore felt most anxious to pay his tribute of respect and thanks to the government for the manner in which they had acted. He had never been an advocate for the bill of 1844. He disagreed with the right honourable baronet (Sir R. Peel) upon the propriety of passing such a measure. His proposition was, that though that bill might, under ordinary circumstances, be very good, yet it was impossible, he thought, to say that £14,000,000 was the exact amount the bank should issue. He had put the question to the right honourable baronet, whether he thought that the power of expansion should not be given in cases of necessity? He thought that the able speech of the right honourable gentlemen the Chancellor of the Exchequer evidently showed that the right honourable baronet himself was now convinced that the bill passed by him in 1844 would not work of itself. The public excitement had, to a considerable degree, been allayed by the letter of last October. A committee was now to be appointed, and he hoped that some resolution would be adopted by them, whereby the public might know that the bank could issue more notes than they had heretofore in circulation, provided they had the consent of government.

Mr. BLEWITT declared that the act of 1844 was, in his opinion, one of the most wicked and mischievous measures that was ever adopted by any legislature. He had never seen so pompous a scheme end in such a miserable failure. He thought, from the mischief that act had done, he was entitled to call it an infernal machine (laughter), which had exploded, prostrating commerce, annihilating credit, and spreading through the length and breadth of the land universal misery and confusion. It was quite clear that the whole of the evils under which we were suffering was occasioned, and was purposely occasioned, by the operation of this act. With reference to the speech of the right honourable gentleman the Chancellor of the Exchequer, it appeared to him (Mr. Blewitt) that his argument went to show that we must be ruined before we could be saved. The effect of the letter of the government and the correspondence with the Bank of England, it was said, had restored confidence. If the fact were so it was because it amounted to throwing the act of 1844 overboard. The honourable gentleman proceeded to contend that the credit taken by the right honourable the member for Tamworth, in his act of 1819, of restoring the ancient standard, was not justified by the facts. Now, he (Mr. Blewitt) would be glad to know why silver should not be the standard of value, leaving gold to find its level in the market. He believed the most eloquent man in the world could not persuade that house that an alteration should be made in the gold standard; though what that standard was, he could not understand. By his bill of 1844, the right honourable gentleman not only objected to silver, but he would not have it at any price (a laugh).

The honourable gentleman concluded by arguing upon the absurdity of locking up stores of gold, and reminded the house that he had given notice that the committee should have the power to inquire whether some provision should be inserted, or an act introduced to enable the Bank of England to increase the amount of its issues beyond the £14,000,000, if occasion should require them to do so.

The Marquis of GRANBY expressed his fears that the commercial classes of the country would derive little comfort from the speech of the Chancellor of the Exchequer. The bill of 1844 was passed in direct opposition to the opinions of all persons conversant in monetary transactions, and after a short life of three years it was abandoned by those who had previously imagined that it was good for all times, seasons, and exigencies; and yet it was by no means clear from the speech of the right honourable gentleman that he was persuaded that the measure was as mischievous as it was felt to be by the commercial community. He admitted at once that much of the distress was to be attributed to the amount of capital which had left the country to pay for the foreign corn that had been imported, and which, unlike capital embarked in railways, no longer circulated throughout the country. Admitting that as one great source of the evil, he must remind the house of the course of legislation which had brought about this state of things, and warn honourable members not to be led away from the true causes of our national embarrassment, by lending an ear to suggestions purely chimerical. He denied that the distress was to be attributed to any want of capital in the country, as had been asserted by the Chancellor of the Exchequer, who, however, in the next breath, with strange inconsistency, took credit to himself for relieving the distress by the relaxation of the operation of the bill of 1844, as if that could have added anything to the capital of the country. By the currency measures which had been adopted they were not only ruining their merchant princes, but they were plunging the labouring classes into the deepest misery. They had recently made experiments in free trade, which experiments had signally failed, owing to the tremendous disadvantages under which the people of this country had to embark in the hopeless struggle against competitors unshackled by taxes, and imposts, and artificial restraints, which fettered the hands of the British operative.

Mr. F. BARING said the discussion on the amendment was one of very little practical importance; as whether the committee were to be appointed under the original motion or the amendment, the course of its inquiry must be as nearly as possible the same. He regretted to be obliged to approve of the course pursued by his right honourable friend the Chancellor of the Exchequer, for he felt it was a very serious thing to violate an act of parliament; but, placed as this country was, he thought his right honourable friend had no course left but that of risking the violation of the act of 1844. They were now told that confidence had been restored in monetary circles; but Government had a much harder task,—that of restoring confidence in the law regulating monetary transactions. For his own part, he had watched the working of the bill of 1844, anxious to ascertain, apart from all party considerations, how far his expectations, when supporting the bill, had been realised by its operation. He fully expected that it would have the effect of checking the over-issue of private banks, and so far the bill, in its operation, had fully realised his anticipations. With respect to the capital advanced in railways, he thought it was a most legitimate mode of investment, and thought it might be overdone, as everything was apt to be in this country, yet he could not look upon that fact as a very serious evil. At all events, he had great doubts as to the expediency of any interference on the part of the Government with the way in which people might be disposed to invest their capital. As to over-speculation—that must always occasionally occur in a country like this, but any

evils resulting from it would be readily overcome by the energy of the people. They had appointed a railway committee, and what was this railway committee to do? Would they report to the house some idea of the amount of the fixed and of the floating capital of the country? or would they report the actual amount of capital requisite for the legitimate purposes of trade? The committee had actually no principle to act upon. If they proposed to ascertain and to allow only so much capital to be embarked in railway undertakings as could be spared from other trading purposes, he would only say they had undertaken a task which they never could accomplish. Another effect he expected to be produced by the act of 1844, was one which it had also fulfilled—that of regulating the exchanges most satisfactorily, until the weakness of the bank interfered with its operation. In one point, however, and that a very material one, the bill of 1844 had proved a failure. He supposed that by the gradual withdrawal of notes from circulation, as the quantity of gold diminished in the coffers of the bank, the mercantile world would be gradually prepared for a crisis, and its greatest evils be thus obviated. In this expectation he was disappointed, for the bank had not seen the danger in time, and when that danger became imminent, it made a convulsive gasp to save itself, at the expense of every interest which stood in the way of its salvation. They should go into the proposed committee free from that most mischievous of all feelings—a desire to do something, without at all knowing what that something was.

Mr. HERRIES said that the right hon. gentleman who had last addressed the house complained of Her Majesty's ministers for not having brought under the consideration of the house, with a view to refer it to the committee, those parts of their conduct which were mainly the cause of Parliament being called together. If that were all, the letters of the Government might yet be referred to the committee; but he should not be content with that. This could not be made a party question, and they ought to have brought before them, not only what the Government did, but that which they did not know yet, why they did it? (Hear, hear.) The grounds upon which they acted would do more to show the working of the bill of 1844 than any production of papers could do. They should know the state of the Bank at the time when Her Majesty's Government were induced, or rather compelled, to write those letters. The Chancellor of the Exchequer, in his able and lucid speech, said that he was informed on the 23rd of October that there was a panic in the City, and the Government thought it necessary to take such measures as they considered most proper to dispel it. It would seem as if it were to dispel some unfounded apprehension; but did not the party who said there was a panic disclose the state of the Bank; did they not say that if the Government did not interpose, the Bank would have been unable to discharge its engagements in two days without carrying public securities into a market which was not prepared to receive them? (Hear, hear.) There was in the Bank at that time, of bullion £7,865,000; the notes then outstanding in circulation were £21,800,000; there was in the banking department £447,246 of bullion, and £1,547,270 of notes; and against this the deposits were—private deposits £8,700,000, and public deposits £4,766,000. The government might have been told that within 24 hours the bank might have been asked for £2,000,000 of their private deposits, and, if so, they must have broken, for they had not the means of meeting it, and the only alternative would have been to go into the market in which Exchequer Bills were at a discount and the Stocks were low. He did not mean to say that they could not have done it at a great sacrifice, but what would have been the ruin in the city if the Bank had gone into the market to sell £2,000,000 of Stock? and such a state of things was inherent in the working of the bill of 1844. Those who had discussed this subject before the bill was passed fully considered what might be the effect of the arrangements

of the bill, and there was not the slightest circumstance which had resulted from it that had not been fully prophesied. Mr. Fullerton very early said, "Whenever, by the course of trade, the stock of bullion in the Bank shall be reduced to a level nearly corresponding with the amount of its notes in circulation in excess of the £14,000,000 issued on credit—when the treasury of the banking department shall be exhausted, or nearly so, and its means of solvency shall be wholly dependent on the sale of its securities, then, and not till then, will your experiment be fairly tried." (Hear, hear.) But Mr. Tooke was more accurate in his prophecy. After having stated nearly what Mr. Fullerton had done, he said, "This being the case, the directors would not have a moment to lose. Upon a demand upon them, under such circumstances, without taking measures for maintaining or restoring the proportion of their reserve, they must shut their doors to all advances or discounts. And, under certain circumstances, it will operate with a degree of violence on the state of credit which, as it seems to me, these gentlemen have no adequate idea of. Before two or three millions of Bank notes could be forcibly extracted, the pressure on the reserves of the London bankers would be extreme, and they would call in their loans"—this had actually taken place. "It would be within the mark to say, that a rate of discount of 20 per cent. would in many cases be exacted—(hear, hear)—and sacrifices of goods would be made to a great extent; and, after all, it might be doubtful whether this effort of the Bank would be effective in sufficient time. In this case, while the circulating department might still have £6,000,000 of bullion; the deposit department would have no alternative but to stop payment—a most absurd and disastrous thing, but too absurd and disastrous to be allowed to take its course: and the government would be imperatively called upon to interfere and prevent so lamentable a catastrophe." He should be glad at another time to go into a more full explanation of the grounds of the different theories which divided the opinions of men on this subject—those of Mr. Loyd and Mr. Norman, on the one side, and Mr. Fuller and an honourable gentleman (Mr. Wilson), who entered very fully into the subject a few nights since, and made a very lucid and logical statement on the subject on the other. That speech deserved an answer, but he had as yet heard no reply to it. He would however, confine himself to the practical point, and would ask Whether it was not impossible to maintain the act of 1844 as it now stood? was there no apprehension—was there not a possibility, nay, was there not a probability of the recurrence of a similar disaster to the one just passed, and which might not end so satisfactorily? And were they to leave the mercantile world with that apprehension and weight suspended over them? He therefore thought that her Majesty's government ought to take some steps pending the inquiry, to prevent the recurrence of those impending difficulties which were inherent—for they were not accidental—in the act of 1844. He confessed, the more he reflected on the subject—the more he considered various opinions—the more he weighed conflicting authorities on the subject, the more he was compelled to come to the conclusion, that the act of 1844 was founded on a mistaken theory, and that it was particularly wrong in the separation of the Bank into two departments, and in compelling a limitation of the circulation to £14,000,000. There was one point which he contemplated with more than common dread, and that was, lest by the failure of the act of 1844, men's minds would be hurried on to distrust the foundation of the monetary system which had been laid in 1819. He should be sorry to see the public mind coming round to that point; and he could not believe the house would consent to forego the advantage of cash payments. But, at present, the first and best thing they could do would be to remove the impediments which fettered the discretion of the Bank, imposing whatever safeguards they deemed necessary, and giving satisfaction to the mercantile world by removing the apprehensions which the recent panic had left behind.

Lord J. RUSSELL said—We have had, in the present discussion, a great variety of views presented to us, and many topics have been touched on which did not come naturally within the scope of the debate.

I must, however, state at the outset, that the conclusion to which I should wish to bring the house is very different from that which the right honourable gentleman who last spoke seems to have adopted when he prayed the house at once, whatever else they might do, be the conduct of the government blameable or praiseworthy, to do away at all events with the restrictions imposed by the act of 1844, and for the interest of the country to give security to the mercantile class. Now, I must say, that as regards this house, considering the difficulties of the subject—considering the perils to which we have been exposed under the system to which the right honourable gentleman referred—and considering the differences of opinion which now exist, it would be very rash in us at once to decide without inquiry that you would abandon the system which was adopted by very general consent in 1844. But, in order to give confidence to the mercantile class, his proposition is more objectionable because, as admitted by the right honourable gentleman, you may come as the result of your inquiry to some modification of the act of 1844, or to some other result, with regard to the monetary system; and what the right hon. gentleman wishes, in order to give confidence, is this, that you will abolish your present system, and repeal your existing law, but what you put in its place shall be matter of doubt and speculation for eighteen months. I cannot conceive any proposition which would tend more to create distrust and doubt amongst the mercantile class, and which would more induce commercial men to say, Let us pause in our transactions, let us abstain from giving orders to our correspondents till we know what law is to be substituted for that which has been abrogated.

It is my conviction that to a considerable degree the government of 1844 succeeded in giving greater security to the convertibility of the bank-note, and averted some of the evils which otherwise might have occurred during the late pressure. This, I think, follows, even from what the right honourable gentleman (Mr. Herries) referred to. In 1825 and 1839, if the drain had gone on a little longer, it would have been impossible to give coin at the Bank of England. But there was no such danger at the present time. The amount of bullion in the Bank diminished from £16,000,000 to £9,000,000. I will not now discuss whether the Bank should not have taken precautions before August last. In April last, a very remarkable letter having appeared in the *Times*, showing the continued drain of gold which was going on, and that this drain all operated on the reserve of the Bank, and in no way on the discount or circulation, the Bank directors immediately began to change their course. To a great extent they limited their discounts, and from the month of April to the beginning of June, the circulation was diminished to about £1,500,000. At that time there was considerable distrust and panic; but, I believe that if the Bank directors had not seen that if they proceeded in the same course they would infringe the provisions of the act of 1844, they would have allowed the drain of gold to go on, and we should then have had, as on two former occasions, still greater cause for alarm.

Now, let us look at the position of the Bank. Without giving any positive or dogmatic opinion upon the subject, I may say that it has been the decision of Parliament for a very long period that we should not embark on the dangerous sea of a state currency. We place the disposition of that part of the currency which consists of paper convertible into coin in the hands of a great bank, which has, to a certain extent, a monopoly. The Bank directors, consisting of persons who belong to the mercantile interest, naturally enough perform all the ordinary duties which they owe to the proprietors; they endeavour to obtain discounts, they obtain the interest

of the day, and few persons think of criticising the course which they pursue with regard to commerce in general. Now, without entering into general questions, with regard to what is currency and what is not, it is evident that a great part of the transactions of the country are carried on by means of mercantile paper, that is, by means of bills of exchange, which are discounted and re-discounted, and go from merchant to merchant, and from manufacturer to manufacturer, and that a large proportion of the transactions of the country rest upon the credit which is due to that paper, and to the facility with which it is passed from hand to hand among those who conduct the industrial occupations. But when there arise failures in the mercantile world—when, owing to the circumstance of any speculations, whether justly or not, being unsuccessful, one house after another fails, then begins distrust; then the uncommercial world in general, not knowing exactly which house will stand and which house will fall, refer to the Bank of England as a great state machine—a machine to be put in operation for the benefit of the public and not for the benefit of the particular proprietary to which it may belong. I have seen an illustration of that in the language and conduct of the directors of the Bank. On many occasions I have observed, that if they had only to consider their own interest, they would hesitate very much in giving discounts, and they would act like prudent private bankers and firms in general, merely for their own supposed benefit. But then they are told, “You must consider the interests of the public; everybody at Liverpool, Glasgow, and Manchester, is looking to you at this moment to support some great firm which is in danger of suspending payment, or some great bank which is in peril of stopping—the industry of the whole district will be sacrificed if you do not interfere.” I must say that on such occasions the position of the Bank becomes a very complicated one. If by any contrivance of legislation or of administration we were to provide that the Bank should at all times consider the interests of the public, and not alone those of itself; or if, on the other hand, the public were generally agreed that the Bank has nothing to attend to but its own interest, and that, on occasions of distrust and discredit, no man should go to the Bank for any other accommodation than he would get as a customer in ordinary times; in either of those cases, I say that the duty of the Bank directors would be simple, and the problem easy of solution. But acting at one time, as it is natural for them to act, employing the balances of the exchequer to obtain a mercantile profit, and then being suddenly called upon to consider the great interests of the state, their situation is difficult and perplexing beyond measure. I say, therefore, that although it may be said that at one time they ought not to have fixed so low a rate of interest, and, at another, they ought to have lowered the rate, I think it is desirable that we should make every allowance for the double duties which they have to perform—duties which have been imposed upon them by the state, and which they could hardly perform so as at once to satisfy the state and the proprietors.

Now, what was the position which the Bank held in the beginning of October?

The right honourable gentleman says we have not said what was the state of the Bank when we proposed to interfere; and then, contradicting his own assertion, he proceeded to read it from the *Gazette* returns. The state of the Bank was this: If, at the commencement of the month of October, it had considered merely its own interest, it would have allowed the paper which it had lent to be repaid, without making fresh loans, and it would have then been in a state of security, having a sufficient amount of reserve. But, pressed on all sides to afford some relief to the suffering credit and commerce of the country, the Bank made large advances to houses which they considered solvent. At the middle of the week which ended with the 23rd of October, I began to think that the chief difficulties had been surmounted, as confidence

was beginning to prevail in London. But there succeeded great panic and distrust in the country. There was the breaking of a bank at Newcastle, and a run upon another powerful and wealthy bank in the same town, upon which the industry of the whole neighbourhood depended. The gentleman who was the agent of the Bank of England in that town advanced to the latter bank all the gold that he had in his possession, and, in addition, he sent to Leeds for 40,000 sovereigns. This bank got over its difficulties, but there were well-founded rumours of similar difficulties in other parts of the country. The state of the bank was then what the right honourable gentleman has stated. While the bullion in the issue department was £7,865,000, the amount of the notes and gold and silver coin taken together was £1,994,516; the notes alone amounting to £1,547,270. Now, under these circumstances, it appeared to me, that if there should arise similar runs upon banks and similar pressure on commercial firms in any of our great cities, and applications to the Bank for relief should be refused, there would be not only a panic, but a dreadful convulsion in the country, which could not fail to affect very much the metropolis, while even the Bank itself could hardly be safe.

Sir, the opinion of the Bank was not that which I have stated; their opinion, as conveyed in a formal resolution on the 25th, was that they could comply with the provisions of the law and maintain their position. At the same time the governor of the Bank frankly confessed to us that if such cases as those to which I have alluded should arise, or such as had occurred at Liverpool a little while before, they could not give further accommodation, and they might probably be obliged still further to restrict the accommodation which they gave.

Now, under these circumstances, we considered that the time had arrived when, in order to prevent the evil which was sure to arise from the perusal of the Bank returns, which must have appeared in the *Gazette* of the following Friday, it was necessary to adopt some extraordinary measure. It has been said we ought not to have mentioned any particular rate of interest. But then we had the fear before our eyes lest by any imprudent measure of ours we might turn the course of the exchanges against us, and produce a state of things from which it would be impossible for us escape without, on the one hand, a sudden contraction of the currency, or, on the other, a suspension of cash payments. It was under that apprehension that I, for my part, willingly agreed that we should take the step, which I at once admit to be contrary to all rule, of recommending a high rate of interest to be required by the Bank. It seemed to me that the effect of that step could not fail to be that there would be less fear of accident arising from undue pressure for discounts, and that the exchanges would be more likely to continue favourable whilst the imports of gold would certainly not cease. Those, in fact, have been, as we expected they would be, the results. The influx of gold has continued, and the reserve in the Bank is now no less, I believe, than six millions. I have no confidence that, if we had not insisted on the condition I have described, the same results would have occurred. I scarcely believe they would. Our object was to restore confidence without giving rise to improvident speculation; and in that respect I believe it will be generally allowed that our measure was quite successful.

I concur in what was said by a right hon. friend to-night, that this committee, if appointed, ought to consider, first, how far the provisions of the law are sufficient? and second, how far we can obtain a steadier administration on the part of the Bank, by preventing the control of parties who attend the meeting of directors only occasionally, and who hold varied opinions upon the subject of the law? But whatever the house may do with regard to this inquiry, I hope, sir, above all, that it will not consent to adopt the advice of the right hon. gentleman who spoke last, and commit itself at once to a decided opinion. Although, as he justly said, from the year 1810 to the present time, this subject

has employed some of the ablest men of England—although it has been directed by the views of Lord Grenville and Mr. Huskisson, of Mr. Horner, Mr. Canning, and of some of the ablest living writers, yet I believe that, on a subject so difficult, so intricate, and so important, there are still many and most potent truths to be acquired. It is possible, should it seem desirable, to make some modifications of the great plan of 1844, in order that the currency of the nation may be worked more steadily and securely. That is quite possible, should it be desirable. But sir, I must say, with regard to the act of 1844, that I do consider that act to be a great improvement on the acts which preceded it—that I do believe it has, in a great degree, answered its purpose—and that I find, since it has been in operation, that we have never been in that position in which the Bank was likely to be left, without a single sovereign in its coffers. Though the act of 1844, therefore, may not have cured commercial convulsion, it has done much to keep the currency from being affected by the evils attending commerce. Holding this view, I beg the house to appoint a committee to consider soberly and calmly the whole bearings of the subject, and not, by passing any sudden or precipitate resolution, to cause men to doubt whether it is the intention of parliament to maintain the convertibility of the paper currency and to preserve the metallic standard of the nation. (much cheering.)

Mr. J. REYNOLDS said, that in the course of these debates attention seemed to have been directed exclusively to the effect of the act of 1844 upon England only. He had heard nothing said of that act as it affected Scotland or Ireland. He could testify that the operation of the act of 1845 had been most injurious to the Bank of Ireland, and, as a matter of consequence, to the commerce and trade of that country. The right honourable gentleman (Sir Robert Peel), indeed, had, in an interview on the subject, when he complained of the restrictions imposed upon the Bank of Ireland by that measure, reminded him that the Irish bankers could issue notes to the extent of their bullion; but, as a practical man, he urged upon the right honourable baronet that the profits of the bankers upon circulation might very well be more than balanced by the loss upon the locked-up bullion. It must be borne in mind that banking profits arose, in a great degree, from trading upon one's credit, in contradistinction to one's capital. (Great laughter.) Before this patchwork legislation came into operation, the rule with bankers in Ireland had been simply this—the entire liabilities of the particular bank to the public were calculated, and then, in times of ease, the minimum amount of gold and silver retained to meet those liabilities was one-third, or 6s. 8d. in the pound. This rule had been found to work well; and it had yet to be proved to him that the act of 1844 for England and 1845 for Ireland had effected any improvement in the matter. As an Irishman, he would more emphatically call upon the legislature to release banking in Ireland from the oppressive restrictions to which it had been subjected, restrictions which, in their consequences, imposed upon many an industrious, struggling farmer or trader the payment of full 15 per cent. interest for advances.

Sir R. PEEL then rose and said—Mr. Speaker, I trust, Sir, that any observations which I may happen to make upon the subject under the consideration of the House will be made in that temperate and dispassionate spirit which characterised the speeches of the noble lord and my right honourable friend the Member for Stamford (Mr. Herries). And, Sir, I cannot let this opportunity pass without expressing my satisfaction, in common with the House, and congratulating the House upon the return of my right honourable friend, for we shall now have the benefit, upon matters of this kind, of his great intelligence and practical abilities. (Hear.) Sir, before I address myself to the immediate subject of debate, I wish to clear the way by referring to a charge which was made against me last night by the honourable Member for Stafford, and repeated to-night—certainly in as courteous a manner as any charge could

be made—by my right honourable friend the Member for Stamford. The charge made by both of those gentlemen is, that in bringing forward the Act of 1844, as the organ of the Government of that day, I gave a public assurance in that year that the banking establishments of Ireland and of Scotland should not be affected—that the Bill of 1844 should refer exclusively to this part of the United Kingdom. The honourable Member for Stafford went so far as to say that an insidious advantage had been taken of Scotland—that the suspicions and the fears of the people of Scotland, who are particularly excitable on the subject of banking and one-pound notes, had been lulled by the assurance thus given, and in very forcible language he said that the banking system of Scotland had received a stab in the dark. And the honourable gentleman supported the charge by a reference to the 10th clause of the Act of 1844; and, having asserted that I had publicly declared in 1844 that the banking system of Scotland was not to be in the slightest degree affected by the Act, he inquired, what would the House think of the right honourable gentleman who, having given that public assurance, inserted surreptitiously that 10th clause, which provided that no bank, not issuing notes in May, 1844, should be allowed thereafter to do so? And the honourable gentleman supported this charge by a reference to the speech I made upon the occasion, and he quoted this extract:—"I think we ought to reserve for separate consideration the state of Ireland and of Scotland. * * * They must be dealt with by separate Acts, and therefore I am not desirous of complicating the present Bill with legislative enactments providing for Scotland and Ireland." And certainly, from the statement of the honourable gentleman, supported by such authority, the House may suppose the accusation was well founded. But, Sir, what will the House think of the honourable gentleman, who, having read that speech, omitted to read the next paragraph, which is to the following effect:—"But I propose to extend to Ireland and to Scotland the salutary principle that no new banks of issue shall be established in either of those countries, and that no joint-stock bank shall be established there except after going through the process of registration," &c. (Cheers.) I ask, Sir, could there be on the part of a minister a more distinct public avowal that, holding the currency under £5, of Ireland and of Scotland, was to be reserved for separate legislation, still that that enactment which applied to this country with respect to the prohibition of new banks of issue should extend to the whole kingdom. (Cheers.) But moreover, not only was that intimation given in my speech, but it was necessary to found the Bill upon parliamentary resolutions, to which the assent of the House was necessary. In the 8th resolution, which I proposed when I brought forward the question, and which was unanimously assented to by the House, not on the night it was offered by me, but after the interval of some days—after it had been printed in the votes—after it had been communicated to the bankers of Scotland—after it had been published in every newspaper in the kingdom; and what is that 8th resolution? It runs thus:—"Resolved, that it is expedient to prohibit by law the issue of promissory notes payable to bearer on demand by any bank not now issuing such notes, or by any bank hereafter to be established in any part of the United Kingdom." Sir, I think I have satisfied the House—(Cheers)—that if a stab were given to the banking system of Scotland, at all events it was not given in the dark. (Cheers.) And as the honourable gentleman says he undertook, in a letter written in 1844, to enlighten the people of Scotland as to the Bill of 1844, and to warn them of what would happen in 1845, I reply to this attack by giving him this friendly advice—that when he next addresses the people of Scotland on the subject of any resolutions or Bill pending in this House, he will have the goodness first of all to read the resolutions and the Bill. ("Hear." and laughter.) Sir, to address myself to the immediate subject under consideration, the practical question we are called to vote upon is, whether or not

a committee shall be appointed to consider the causes of commercial distress, including the laws which regulate the banking system of the country? Her Majesty's Government, as the executive Government of the country, appeals to the House of Commons, for the exercise of those powers of inquiry which peculiarly belong to us; and I conceive, therefore, that whatever opinions as individuals we may entertain with respect to the effect of the inquiry, it is impossible for us, as the House of Commons, to resist the appeal. The function of inquiry peculiarly belongs to us. The Executive Government is of opinion that there is no ground for legislation without inquiry—they ask for our assistance, and that assistance, therefore, I consider it impossible to refuse. (Hear, hear.) An amendment has been moved, on the motion of the noble lord, to restrict the object of the inquiry to the operation of the Act of 1844. Now, I have had experience enough to know that there is no practical difference involved in this amendment; and if the right honourable gentleman's amendment were carried, I know it would be quite impossible to exclude from the inquiry any cause which any member of the committee might consider the real cause of the distress. (Hear, hear.) And when I tell the honourable Member, that in 1836 a committee was appointed—that the special object of that inquiry was the laws regulating the trade of banking—when I inform him that that committee sat during the whole of 1836, was re-appointed in 1837, and did not report till 1838, I think he will be convinced with me that no practical object could be gained by imposing any limitation on the inquiry on this subject. I therefore vote for the proposal of her Majesty's Government, because I think if there is to be inquiry, that no cause of the present commercial distress ought to be, or can be, excluded from that inquiry. (Hear, hear.) I think it my duty to state to the House that I want to devolve upon no other parties to whom it does not justly fall the responsibility which attaches to me for the part I have taken, either in respect of the restoration of the standard in 1819, or the attempt to mitigate those evils which accompanied our system of banking and currency previous to 1840. I feel I did no more than my duty in 1819 and 1844 in calling the attention of the House to those subjects, and though I do not wish to devolve upon others the responsibility, for on advertng to those measures, and carefully considering them, I do not, in the slightest degree, lament the course I adopted (hear, hear); yet I must submit to this house whether, on a question of this nature, it is respectful to its character to attribute to, or to attempt to make any individual member responsible for a measure submitted to and adopted by a deliberative assembly. (Hear, hear.) You, the members of this house, are in no degree personally responsible, but in your corporate capacity you are the same House of Commons which has been for years called on to deliberate on public affairs, and nothing could more tend to depreciate the character of this house, and of the House of Lords, than to countenance the impression that on matters of this kind, involving the most important interests, and being in themselves subjects most divested of any party feeling, the Houses of Lords and Commons adopted a measure proposed by some individual member, and then tried to relieve themselves from the responsibility of having accepted and adopted that measure. (Hear, hear.) Why, what is the truth with respect to these measures? In 1819 the measure for the restoration of the standard was proposed by me, then a private member of parliament, and unconnected by office with the Government. It was the result of the inquiry of two committees—one of the House of Commons, the other of the House of Lords. The report of the committee of the House of Commons, which recommended the restoration of the standard, was carried with but one dissentient voice. The report of the House of Lords was, I believe, unanimous. As the organ of the committee of the House of Commons, I proposed the measure of 1819, for the restoration of the standard of value. There was not a single division

against the bill. So far, therefore, as votes were concerned, it received the unanimous concurrence of this house. Objections were started by the hon. member for Coventry, and other members; but if I recollect rightly, on the questions whether the bill should be read a second and third time, there was no division whatever. (Hear, hear.) In the House of Lords the bill also received unanimous acquiescence, except indeed that one noble lord did move an amendment, which was to this effect—that whilst the bill proposed that cash payments should not be resumed till 1823, he (Lord Holland) proposed that cash payments should be resumed in 1820. (Hear, hear.) Lord Holland was not content with waiting till 1823; and to that proposition there is no recorded adverse opinion. Now, as I said before, I still think the restoration of the ancient standard, and the abolition of those evils which are inseparable from inconvertible paper, was a wise measure, necessary for the security of property in this country, and the just remuneration of industry. Do not suppose that by referring to these facts I am trying to relieve myself from responsibility. I am only consulting the character and honour of both branches of the legislature, when I point out that they gave their unanimous assent to this measure. (Hear, hear.) Then I come to the act of 1844. I was then differently situated. I had then the honour of serving her Majesty, and of presiding over the financial department of the country. At that time the Bank Charter was about to expire, and it was necessary some proposal should be made to Parliament respecting it. It certainly was competent to us to relieve ourselves from the direct responsibility of a proposition, and to have another inquiry. But I beg to remind the house that when, in 1844, I proposed a practical measure for the consideration of the house, in five preceding years there had been no less than five committees on the subject. Those committees were appointed in 1836, 1837, 1838, 1840, and 1841. I hear it now said that the subject is not exhausted; that there has not been sufficient inquiry, and that we ought to have further investigation. Well, but in 1844, I found on the subject of currency and the Bank issue that 3,000 questions were put in 1836, and 3,000 answers given—that did not satisfy the House of Commons, and the committee was renewed in 1837; that then 4,570 questions were put in addition to the preceding 3,000, and yet the house and the committee were not ripe for decision. The committee was re-appointed in 1838, and then 1,700 questions were put, and yet no practical result. In 1840, on the expiration of the Bank Charter, the committee over which the right honourable gentleman the Chancellor of the Exchequer presided with such great intelligence and ability, the committee which had ceased in 1838, and the last committee on banks of issue, were re-appointed, and on that occasion, there having been upwards of 9,000 questions put in the three years I have referred to, 3,859 additional questions were put, each leading to long and reasoned answers. In 1841, the questions then amounting to 14,000, another committee was appointed, and that committee also closed without any practical resolution. I certainly did think, under these circumstances, that inquiry on this subject was exhausted. (Hear, hear.) The house had had the opinions of Mr. Tooke, Mr. Jones Loyd, the Governors of the Bank of England, Mr. Horsley Palmer, and Mr. Page; and it did then appear to her Majesty's advisers that the best course was to propose a measure to the House of Commons for the regulation of the currency at the determination of the Bank Charter, and to invite the House of Commons to come to some practical decision. They did come to a decision. I do not believe there ever was a question carried by much larger majorities. I do not think that more than thirty members ever voted against that proposal, and in the House of Lords it passed without a dissentient voice. I say again, therefore, that the House of Commons cannot justify itself, if, on a measure of this kind, it could not keep apart from party considerations, but lightly and inconsiderately gave its assent to the proposal

(Hear.) The subject is plainly open to re-consideration. That it would be absurd for any one to claim identity of opinion now with any opinion he might have expressed in 1844, I freely admit. I think nothing could be more injurious to the country than that any man should now refuse to come to a different conclusion to what he did in 1844, after the experience of the intervening period, or even the consideration of the question, on the ground that the house had already had all this information. I think it would be perfectly justifiable for the house, if they should see reason for doing so, to adopt a different line; but I think it would be hardly justifiable for the House of Commons to say—"We gave our consent blindly and inconsiderately to the measure proposed to us by the minister." I think there has been some misapprehension respecting the objects of this act. I do not deny that one of the objects contemplated by the act was the prevention of the convulsions that had heretofore occurred in consequence of the neglect by the Bank of England to take early precautions against the issue of its treasure. I did hope that, although there was no imperative obligation on the Bank of England, that the experience of 1836, 1838, and 1839, would have induced that establishment to conform to some principles of banking which the directors of the Bank acknowledged to be just, and which they had adopted for their own regulation. Sir, I am bound to say that in that hope, that in that object with respect to the bill I have been disappointed. I am bound to admit, seeing the amount of commercial depression which has prevailed, and the number of houses which have been swept away—some of which, however, I think were insolvent long before the bill came into operation (hear, hear), and others of which became insolvent in consequence of the failure of those who were connected with them, and were imprudent in their speculations—I am bound to admit that the object of the bill of 1844 was to impress a legal and moral obligation upon the Bank to prevent the necessity of stringent measures by taking timely precautions, and that therefore that object was not carried out (hear, hear), otherwise the pressure could not have been so great. Sir, I must contend that it was in the power of the Bank if they had taken those early precautions which it was in their power to take, if they had had the resolution to meet the first difficulty by raising the rate of discount, and to refuse some of the accommodation which was granted by them between 1844 and 1846—if, sir, they had exercised these powers, my firm persuasion is, that the necessity for the extraordinary intervention to which her Majesty's government resorted, might have been obviated (hear, hear). Sir, I cannot, therefore, say that the bill is exclusively in fault. My belief is, that the executive instruments by which it was meant that bill should be carried into effect—if those instruments had been used properly, the Bank of England might have prevented the necessity of issuing the authority of the noble lord and the Chancellor of the Exchequer to violate the law (hear, hear). Persevering and resolute measures were required to carry into effect the provisions of the act of 1844, especially when a pressure was visibly at hand. Sir, it is said that the sole object of the bill was to prevent the recurrence of panics in the monetary and commercial circles; but perhaps I may be allowed to quote what I said in the course of my speech upon the second reading, as to its object. Upon that occasion, at the close of my speech, I said—"Ministers are not wild enough to suppose that this measure will prevent all undue speculation; but there is a species of speculation dependent on undue issues of paper currency, which I hope it will check—a species of speculation which it is not altogether in the power of parliament to prevent, but which in my opinion will be aggravated by other circumstances without the control of parliament; and although we cannot check illegitimate speculation, yet I do not hesitate to ask parliament to adopt measures which I conceive will have the effect of preventing the aggravation of so

great an evil." Sir, the objects of the bill were of a triple nature; one of them was to prevent panic and confusion; the second was to guarantee the convertibility of notes into gold; and the third was to limit the circulation of notes. In the two last objects my belief is that the bill has completely succeeded. You have a guarantee for the maintenance of convertibility of paper, which you never had before the act came into operation, and whatever difficulties you are suffering under from various causes, I believe that those difficulties would have been aggravated if we had not wisely taken the precaution of checking the paper credits of the joint-stock banks and other private banks, which were current previous to 1844. The hon. member for the City of Dublin (Mr. Reynolds) has complained of the privileges which have been granted to the Bank of Ireland, and he has also spoken of the reserve funds which the private banks in that country are in the habit of keeping. Sir, I must confess I think that the hon. gentleman's authority on that subject is somewhat weak, notwithstanding he has been one of the founders of the National Bank, for which he no doubt deserves great credit; but with all due respect to the honourable gentleman's ability and character, let me tell him that I would rather have his capital than his credit (loud laughter). Now, sir, I will give you a specimen of the inquiry which has been sustained in Ireland in consequence of what is called the monopoly of the Bank of Ireland. The poorer classes of Ireland have suffered more from the abuses of banking than the poorer classes of any other country. I will show you what it is to establish unrestricted banking on credit and not on capital; and to assist me in doing so I will quote the authority of an Irishman, Sir Henry Parnell, whose attention had long been given to that subject. Sir Henry Parnell said, "That the losses which Ireland has sustained by the failure of banks may be described in a few words," and certainly they are emphatic words—"in 1804 there were in Ireland 50 registered banks, and since that year there have been about 20 more established, making 70 altogether." Writing in 1827, he says, "With the exception of a few which had withdrawn from business, there were only four in Dublin, three in Belfast, and one in Mallow, the whole of the others have failed one after another, and have involved the country in immense distress." (Hear and laughter). Sir, I recollect in the year 1820 or 1821, the failure almost on the same day, or at all events in one week, of eleven banks in Ireland. Those banks had upwards of £4,000,000 of paper in circulation, and that paper had the entire confidence, not only of the rich, but of the small farmers and the peasantry. I remember being in the west of Ireland about ten days after this occurrence, and I shall never forget the desolation and misery which were cast upon the people by the failure of those banks. Is it possible that the hon. member for Dublin believes that the practice of the joint-stock banks in Ireland is to keep in their coffers one-third of gold with reference to the amount of their issues. I am placed in a difficulty of belief by the statement of the hon. gentleman. My memory is so totally at variance with his in reference to that point, that if I was told that the Irish banks kept even one-tenth of gold for the amount of their issues, I should scarcely be disposed to give credit to the statement (hear and laughter). Why, sir, if what the hon. gentleman states be true the greatest benefit must have been conferred upon the Irish Joint Stock Banks by the Act of 1844 (hear, hear)—they must by that Act have been relieved from great responsibility (hear). So far from its having contracted the operation of those Banks it must have relieved them in an immense degree. Sir, I ask the hon. gentleman whether the Agricultural Bank of Ireland kept one-third of gold for its issues? I am sure he has read the evidence on the subject and can give me an answer (a laugh). There is no doubt that the country is suffering much—there is no doubt that distress prevails to a great extent amongst the mercantile and labouring portions of the community—there is no doubt that capital has been to some extent contracted :

but I believe, Sir, but for the Act of 1844, to which that distress and suffering are by some attributed, our difficulties would have been ten times greater. (Hear, hear). I wish to remind the House of an observation made 80 years ago by a great writer on this subject—I mean Adam Smith. He says, “No complaint, however, is more common than that of a scarcity of money. Money, like wine, must always be scarce with those who have neither wherewithal to buy it, nor credit to borrow it. Those who have either will seldom be in want either of the money or of the wine which they have occasion for. This complaint, however, of the scarcity of money, is not always confined to improvident spendthrifts.” It is sometimes general through a whole mercantile town, and the country in its neighbourhood. Over-trading is the common cause of it. Sober men, whose projects have been disproportioned to their capitals, are as likely to have neither wherewithal to buy money, nor credit to borrow it, as prodigals whose expense has been disproportioned to their revenue. Before their projects can be brought to bear, their stock is gone and their credit with it. They run about everywhere to borrow money, and everybody tells them that they have none to lend.” Now that is precisely the condition in which our commercial classes are placed. They are all running about, trying to borrow money, and those to whom they apply tell them that they have got none; and then the act of 1844 is blamed for not letting them have it. And the government are likewise censured for not supplying them with a commodity which they had not got. How is it that commerce is restricted, and that solvent men have not the means of meeting their engagements? The various causes of that have been stated in so much detail, and appear to me to be so rational and so just, that I cannot dispute them. At all times in the monetary history of this country a low rate of interest has led to the same commercial depression which we now deplore. Free trade and the Bank Charter Act of 1844 have nothing to do with it. How do you account for this fact? Take the history of the last 60 years, and I will show you that, in time of peace and in time of war, nay, before a standard was established, a low rate of interest for money uniformly led to the same result. Take 1784, for instance, as an example. In that year you had the old standard; you had, if I recollect aright, the power of paying up to 25*l.* in silver—at all events the old standard remained unaltered; but still, in that year, in order to the perfect practicability of its paper, the Bank of England was compelled to refuse advances on loan, and to reduce the bullion in its cellars from 9,000,000*l.* to 5,000,000*l.* Then look at 1792. There was, in that year, a period of great prosperity and commensurate circulation; but, nevertheless, a violent re-action was found inevitable on the part of the Bank to prevent the exhaustion of its stock of bullion. Yet in that year the currency was as inconvertible or convertible in the same manner as in 1784. I will read for the House a statement of the condition of the country in 1792, before the war broke out: and it will be seen at a glance how it corresponds with the history of 1846. It is from Mr. Tooke’s work, a high authority on the subject. [The right hon. bart. then read the statement in question, which was to the effect that from the operation of causes analogous to those in existence at the present moment, the greatest distress followed the prosperity of the preceding year, and the number of bankruptcies far exceeded that of any other similar period. For instance, in March there were 105, in April 188, in May 209, in June 158, and in July 108. Upon that occasion many houses of extensive dealings, undoubted solvency, established credit, and the greatest respectability—houses which possessed sufficient property and ample means to meet all their engagements, were obliged to suspend payment by reason of the unavailable character of their resources. Many banks followed them, for it was in fact impossible to raise money on the securities they held; because those who had money kept it locked up in their coffers.] Does not this, sir, continued the right hon. gentleman, exactly correspond in every particular with the history of 1846?

Mr. BLEWITT.—No it does not. (Cries of “order.”)

Sir R. PEEL.—Well, but how fared it with you in after times? In 1810, when you had, practically speaking, the command of the whole commerce of the world; in 1810 you had with all this the advantage of an inconvertible paper currency. But still it could not rescue you from a recurrence of the evils of 1792. In 1819 the standard was restored. If you are about to repeal the act of that year, remember you are also about to restore the discretion of the Bank, and its corresponding power of issue, unlimited in extent, and uncontrolled in its nature. If you do that you will restore Joint-stock Banks also, with their powers of unlimited issue. I presume you are also about to restore private Banks, and confer on them the faculty of increasing the circulation at will. Before you do this, however, I entreat you to read the history of the Northern and Central Bank—of the Norwich Bank—of the Manchester Banks, and of other banks of the same character, which issued notes professing to be convertible, and you will find that an increased circulation, based upon inconvertible paper, has not sufficed to prevent those evils of which the country has had from time to time to complain. The unlimited powers given to the banks, and the extent of discretion intrusted to them, required some security for the public. By the simple repeal of the act of 1844, however, you will restore those powers, and give back that discretion. In 1826, the banks had unlimited discretion in the matter of issue; and you had, moreover, your one pound notes. Now, I will give you an account of the state of affairs in 1826—an account drawn from the most unexceptionable sources—an authority that commanded universal respect—namely, Mr. Alexander Baring, now Lord Ashburton. It is, in fact, a repetition of the history of 1810. There was a period of undue excitement, of great extension of speculation and extraordinary prosperity, preceding the calamity which then occurred, and which Mr. Baring said he had no hesitation in attributing to the extent of the paper circulation of the country. It was then £18,000,000, an amount for which the Bank of England, conjointly with the country banks, was answerable. The low rate of interest gave rise to speculation to that degree that Bedlam seemed to have broken loose on the Stock Exchange. The banks in London, as well as the country banks, were actuated by the prevalent desire to put out their money to the best advantage, and they accordingly advanced it to speculators. But then came the reaction, and all its fatal consequences; and men of wealth and undoubted capital might be seen any day thereafter walking about the streets of London, not knowing whether or not they would be able to meet their engagements. The intelligent writer concluded by stating, that to the over issue of the country banks was to be attributed entirely the distress which then prevailed among the commercial community. In 1836, the proceedings of the Bank of England had a similar result. I heard myself the President of the Chamber of Commerce at Manchester say that he attributed to the Bank the loss of £40,000,000, sustained by the mercantile and manufacturing interests, on the great materials of manufacture in this country—cotton, wool, and silk. In 1839 the Bank of England was obliged to apply for assistance to the Bank of France, the gold in its coffers being reduced to the sum of £2,000,000, and again were all the evils which resulted to the country on that occasion attributed to the departure, on the part of the Bank, from the rules which the Bank itself had established for its own guidance. When I find, therefore, that in 1784, in 1793, in 1810, in 1826, in 1836, and in 1839, the same causes produce the same effect—when I find a low rate of interest for money induce great speculation, and lead to numerous engagements which, tried by the test of reality, could not be discharged—when I find the same causes operating then as I find operating now, I cannot come to any other conclusion than that the cases are perfectly identical. It has been, in every instance, the result of a low rate of interest, and of undue speculation. There has been a mode of conducting business, also—that is to say, an unlimited issuing of paper and a re-discounting of bills—

which I believe to be novel in the commercial history of the country, and which, I am satisfied, has considerably aggravated the evil. (Hear.) In this great country we have chosen to erect a larger superstructure of paper credit, on a smaller basis of bullion, than any other country in Europe has done. This country and the United States of America have attempted, with a comparatively small amount of the precious metals, to establish a larger paper credit than, perhaps, was ever known before. No other country has, in proportion to the extent of their paper credit—the amount of their bills of exchange and notes of hand—gone to a smaller expense in the purchase of bullion than these. This state of things, I am aware, gives great facility for commercial enterprise; but it is accompanied with a corresponding degree of danger. The largeness of our colonial empire adds to these facilities: and the consequence is, that when that great establishment, which is the centre of the monetary transactions of this country, encourages such wild enterprises by the low rate of interest, the evil is inevitable. I know you will not go to the expense of widening your basis of bullion, but nevertheless that is the only means to effect a radical cure of the evil. You want more paper, which will bring you present prosperity; but do you not perceive that it will only bring you more evil hereafter? The United States had attempted the same thing; and the United States, with all the advantages of unlimited extent of land, and growing commerce, with their slenderer foundation of capital and wider superstructure of credit, would experience vicissitudes more disastrous and rapid than you have experienced. (Hear, hear.) But this is the state of your currency; and the great object of the present resolution is to combine ease and relaxation with the permanent convertibility of our paper. If it were not for the experience of evils which have led you to accede to any measure which tends to secure this object, it would be lost sight of. But when the memory of pressing evils was present to your mind, you willingly acceded to any measure by which the direction of the Bank was fettered, and by which a guarantee was afforded against a future excessive issue. Well, sir, it is painful to refer to individual cases; but, to form an opinion of the causes of our difficulties, we must not shrink from this proceeding. The House must look to some of these cases, and must institute a comparison of the liabilities with the assets. (Hear.) Why, if commerce is to be conducted on such principles as some of these cases disclose, it is in vain to attempt to regulate commerce by legislation, or to hope to prevent those evils which must surely follow. (Hear.) When we see houses whose assets—I will not mention names, though the names have already appeared—when we see houses with liabilities of £50,000, and assets of £3,000, how can we wonder at what has occurred. If such is to be the way in which commerce is to be conducted, do not complain of the act of 1844. (Hear, hear.) Is it not monstrous that the standard of the country should be endangered in order to cover or facilitate such transactions? (Hear.) What security can I have when I see a bank with a paid-up capital of £600,000 lending to one house £500,000 of that capital? (Hear.) The shareholders, I may be told, reposed confidence in the directors; but why did they not take an active part in the management of their own affairs? Well, failures occur, and then, like the gentleman with liabilities to the extent of £50,000, and assets to the amount of £3,000, the parties say, "Oh, it is the infernal act of 1844 that is the cause of all our difficulties." (Hear, and laughter.) We only want money, and the act of 1844 prevents us from getting it." (Renewed laughter.) I think if the act of 1844 had not been in existence your difficulties would have been increased tenfold. Just for a moment consider the state of affairs if the Northern, the Manchester, and the Norwich banks had been enabled to foster speculation by unlimited issues of paper. (Hear.) You have made great exertions, and stagnation has followed. Depend upon it that the natural energy and enterprise

of the British character will enable you, as it has hitherto done, to weather your difficulties. (Hear.) We have always, in times of pressure, heard the same prophecies. The sun of England had set—no chance of retrieving our disasters—money at 10 and 15 per cent.—no hope of amendment. Some honourable gentlemen, from whom I should have expected better things, say that commerce cannot be conducted if we are to pay 10 per cent. for discount, and Government is blamed because people are compelled to pay 10 per cent. Why, what right has any man to pay for money more than money is worth? If money is worth 10 per cent. it will be asked; what law can prohibit such a rate of interest? Will you make the usury laws more stringent? I very much doubt whether the retention of the usury laws would have prevented the necessity for money from acting irregularly on different parties. We had experience of the usury laws in 1826. Many solvent houses sunk in consequence of the retention of the usury laws; those laws deprived them of the power of borrowing money. Those who adhered to the usury laws would not lend money, and those who evaded the law charged an illegal interest. It is restricting our export, no doubt, to be obliged to pay 10 per cent. for money; but then no issue of bank notes would remedy this evil. The dearth is of capital, and while capital is scarce, pass what laws you please, you must pay for capital. But, as in the six cases which I have before-mentioned, the energy we possessed enabled us to bear misfortunes which pressed on us with all the severity of those calamities which the country now experiences. Then did the supervention of unforeseen causes aggravate tenfold the difficulties and depression which had been caused by over-speculation. (Hear.) How was it possible to think, without concern, of £33,000,000 being sent away in one year for the purpose of providing food for the people of this country; and that, too, at this time of difficulty? Why, if we were at a time of prosperity, the evil of such a drain would be intense; but, taking into consideration the fact that this exhaustion of capital for purchasing food came concurrently with an exhaustion of capital occasioned by improvident commercial engagements, it does indeed call on us to exert all our energies to bear up against this double simultaneous blow, acting as it does concurrently with other evils, in particular with an immense application of capital to a novel species of enterprise. I do not estimate the consequences of the application of capital to railways so highly as some honourable gentlemen. I think, under ordinary circumstances, that nothing can be more advantageous to the country. I think, by the extension of railways, you are laying the foundation for your future prosperity. (Hear.) And I doubt whether the evil caused by employing capital on railways is as great as if that capital had been employed in making foreign railways. (Hear, hear.) I believe if you had not had a large demand for money to pay for food, and if you had not had a loss of capital by prostration of engagements, in consequence of improvident speculation, that you would have been able to pay up the demand for capital required for the railways; and the demand which railways have made must not be considered to be a loss, for the time will come, I hope, when these railways, completed, will be productive to those who have assisted in making them. When I think of the saving of time in the transit of goods and passengers, I think that railways will ultimately prove the source of improvement and prosperity to the country. (Hear.) But at present, I admit, they operate so as to increase the restrictions arising from other sources. (Hear.) With reference to the country banks, what are they but intervening agents between those who possess cash and those who want it? The banks receive deposits, and they devote these deposits to the promotion of commercial enterprise. Suddenly there comes a large demand for money to promote some new species of enterprise. This leads to a scarcity of capital, and of course increases the difficulties under which we labour. Of the three causes which operated concurrently, the last has only operated in a minor

degree to produce your difficulties, and to account for the stagnation which you now experience. (Hear, hear.) One word with respect to the letter of the noble lord and the right honourable gentleman the Chancellor of the Exchequer. I feel bound, as I am not in habits of political intimacy with those right honourable gentlemen, to say when I do agree with them in any particular step. I feel I am bound to say that I do cordially approve of the course they have taken. (Hear, and cheers.) I think they were perfectly right in not issuing that letter sooner. I think that the true remedy for the present embarrassment is vested in the exercise of that indefatigable energy the people of this country possess in the contraction of all needless engagements, and in the cessation of all demands that can be postponed to more favourable times; and if Government at an earlier period had signified their intention to relax the law, they would have materially discouraged those individual exertions which alone can save us. But when a panic took place, which could never be foreseen or prevented, and when it was impossible to prevent the consequences of that panic, then the power possessed by Government was properly exercised, and it was better to set an example of a violation of the law than to run the consequences of not interfering. (Hear.) The issue of the letter was no impeachment of the Act. (Hear.) I differ from those who say that the necessity for relaxation is a proof of its inefficiency, and that there ought to be a discretionary power in cases of panic. The case, Sir, of a panic is one which is not to be provided against. It is one of those cases, as was foreseen by the late Mr. Huskisson, which was not matter for legislative interference, but for the exercise of the discretion of the Government. Sir, I think that her Majesty's Government were perfectly justified in issuing the letter which they addressed to the Governor of the Bank of England. I think that they acted with the strictest regard to constitutional scruples in summoning Parliament. If there had been a violation of the law, then the first appeal on the part of the Government ought to have been made to the Parliament. But, as there has been no violation of the law, I confess I do not know how we can draw up an Act of Parliament giving the Government an indemnity for not having violated the law; therefore, as far as any danger from having called Parliament together is concerned, I see no necessity for an indemnity. Sir, I also think that the Government were perfectly right in attaching, as a condition to that communication, the demand of a *minimum* rate of interest. I must say that I think the Government were right in not trusting to legislative interference. With the pressure on the Bank of England, whose sympathies were naturally roused for those around them, I think it was right for the Government to undertake the responsibility of sanctioning a violation of the law, but, at the same time, for themselves to fix the condition on which they would sanction a violation of the law. I think, therefore, that the demand of a high rate of interest, and that acting on the suggestion of making 8 per cent the *minimum* rate, was a better course of proceeding than that of permitting the Bank of England to violate the law. Sir, I will not discuss that point of the question further now, as that, of course, will be considered maturely in the committee—namely, whether there shall be an alteration of the Act of 1844? All I can say is, that I should be acting a part unworthy of a Member of Parliament if I for a moment permitted considerations of consistency to prevent me from giving a full and candid consideration to the subject. My own impression, I admit, is in favour of the maintenance of the great principles of that Act. I think that we ought to continue the restriction on all joint-stock banks, to bear the expenses of keeping up a stock of gold. I think if you do not impose some restriction, you must eventually impose some restriction upon them. After the experience which we have had of the years 1839 and 1826, I am not content to leave the regulation of the monetary concerns of this country to be uncontrolled, espe-

cially with regard to the Bank of England. I do not know of a better mode that has been devised to carry out this object than that which is prescribed by the Bill of 1844. I did hear, with great satisfaction, the speech of the right honourable gentleman, in which he declared his inviolable adherence to the principle of a metallic currency, for I know he is a great authority on that head. If I thought that some of the opinions which I have heard declared in the course of this debate were likely to prevail, I confess I should indeed feel the greatest anxiety with regard to the security of the property and the stability of the great commercial enterprise of this country. I think I heard an honourable Member, on the last night, state that he thought it his duty to make a recommendation to the House; and what was that recommendation? It was, Sir, that the Government should pay off £14,000,000 to the Bank of England in an inconvertible paper. Sir, if the Government is to set the example of paying to the Bank a debt which is due in convertible paper, in paper for which there is no other equivalent than other paper—if that is to be the example to be set by the government, I foresee that individuals who may be in the same difficulty will be too glad to avail themselves of the same example. I cannot, however, believe that this house will sanction such an injustice as that the government shall pay the amount of a debt due from them, in inconvertible paper. The honourable member for Stafford seems to suppose that we should have a convertible paper, but with a fluctuating standard. But what is the meaning of that? Why, sir, the meaning of it practically is the adoption of the system of assignats—convertible as to the payment of the notes in gold, at the market price of gold. This means nothing more or less than a temptation to depreciate the value of gold by the issue of paper, and thus to pay debts in a depreciated value, caused by your own unlimited issues, which are to be redeemed at the market price of gold. If you pay debts in paper issued without restriction, and you are called upon to pay in gold, we know that the assignats cause the depreciation. If you propose a depreciation to the amount of a paper currency, which shall not be an unlimited currency, that means a restriction of the system under which the paper currency of France, issued to any amount, became depreciated to the extent of 400 or 500 per cent. My security against this proposition is, that parliament must be bound by a promise to pay. I care not how you fill up the blank, if you have it a convertible paper, I know that however you may fill it up, precisely the same consequences will result. If you say I promise to pay two pennyweights of gold instead of four pennyweights, your promissory paper goes for what it is worth, and there will not be the slightest security against stagnation. My firm persuasion is, that this house will imitate the example of its predecessors in 1822, on the motion of Mr. Huskisson, when you were about to enter into an inquiry, or a motion was made to which this house assented, and imitating the example of the parliament of 1697, resolved that this house would not sanction an alteration of the standard. Again, in the year 1833, upon the motion of Lord Althorp, the house re-affirmed that principle; and, if there should be a necessity for it, I feel convinced the house, on the most enlarged considerations of public policy, will again re-affirm the same principle. Rely upon it that there is absolutely nothing in regulating the commercial transactions of this country, which have so increased, as retaining our ancient standard of value. The hon. member for Westbury says that we are in error about the price of gold, and that a promissory note is a promise to pay a certain amount of gold, and nothing less, and that if you choose to make a £5-note a promise to pay what is worth £10, you do not in the slightest degree alter the nature of the currency. But, sir, when you reflect what, under the standard of value, has been the increase of prosperity—when we find with the present standard of gold what has been the decennial increase of the declared value of exports—when you think that from 1831 they were not more than £36,000,000,

that they increased in the next period to £46,000,000, and that within the last three years they were not less than £59,000,000, you will find conclusive proof that with the ancient standard of value you can conduct the most enlarged commerce which this country can be called upon to carry on. Whatever, therefore, may be your minute objections to the operation of this law of 1844, my hope is that this house will show the same regard to justice and good faith which has been evinced by our predecessors. And remember, whether the policy of the act of 1844 was, or was not, a wise policy, that the transactions which have been entered upon since 1822, are as ninety-nine to one to the amount of transactions before that period, which still remain unliquidated. I trust that a regard for your own character, a regard for justice, a regard for the permanent interests of the country, and a regard, above all things, for the condition of those who have earned by their industry the honest wages of their labour—will induce you to uphold that standard which, after long experience, has been established by the wisdom of parliament. (Great cheering on the ministerial side of the house.)

APPOINTMENT OF THE COMMITTEE.

House of Commons, 15th December, 1847.

The CHANCELLOR of the EXCHEQUER, in rising to propose the names of members to serve on the committee appointed to inquire into the causes of the late commercial distress, said he wished to make some observations on the general composition of the list he had framed, and with reference to which so much had been said both in that house on former occasions and out of doors. The house having already decided that the committee should consist of 26 members, the question now before them was simply of what members the committee should consist? Many observations had been made respecting the omission of gentlemen who had served on the bank committee, and of gentlemen who, in the opinion of others, ought to be members of the committee. He trusted that gentlemen whose names were not in the list would not impute it to any want of respect for them upon his part. The number being limited, it was plainly impossible to include all who might either desire themselves or be desired by others to sit on the committee. With reference, however, to another objection, namely, that certain classes of individuals or interests were not sufficiently represented, he must say that he thought it originated in an erroneous notion of the nature of the committee. Some gentlemen had said it should include a greater number of Scotch members, others thought there should be a greater number of members from Ireland, some thought the metropolitan boroughs had a right to have a greater number of members upon it, others complained that there were not more members who represented the manufacturing interests, or those who were the employers of labour; and there were still others who complained that sufficient regard had not been paid to the representatives of East and West India interests. Now, he thought that if the principle thus contended for were adopted, it would be plainly impossible to constitute the committee without including twice as many gentlemen as the number to which the house has decided the committee should be limited. Moreover, honourable gentlemen should remember that the proper way to obtain the representation of any class before the committee, was not so much by appointing to sit upon it members who represented that class, as to call before it witnesses who belonged to that class, and entertained its opinions. This was the course

adopted by the committee on the Bank Charter in 1840. On that occasion, the chairman of the Chamber of Commerce at Manchester sent a deputation consisting of two gentlemen, who had since become members of the house, to represent their interests and opinions. It was the same with respect to other classes, and he thought it was generally felt that this was the best way in which the several classes could bring their case before the committee. Now, although it was quite true that this was not a party question, yet no doubt the composition of parties in the house did point, in some measure, to the selection of able persons to serve upon it. He had, therefore, put upon the list the names of three members of the late Government—viz. Sir Robert Peel, Mr. Goulbourn, and Sir J. Graham—three members of the present government—viz., himself, Lord J. Russell, and Mr. Labouchere—and also of three gentlemen, who, no doubt, when their turn came, would occupy the Treasury benches—viz., Lord G. Bentinck, Mr. Herries, and Mr. Disraeli. He did not think that any person could find fault with this selection. There they had the government—past, present, and future (hear and laughter). Now, when he came to the representation of opinions, every class of which, he thought, should be represented, in order that evidence might be elicited in their favour or against them, he believed it would be found that, as the list was constituted, every possible variety of opinion was represented. Let them see how that object had been attended to. Taking extreme opinions adverse to the bill of 1844, surely Mr. Spooner, who was in favour of inconvertible paper, or something like it, held opinions as far opposed to that bill as could be entertained by any individual. The honourable member for the west riding (Mr. Cayley) also advocated a large issue of paper, and a silver standard, or a double standard of gold and silver. Then the honourable member for Montrose (Mr. Hume) represented another class of opinions—viz., those in favour of what was called free trade in banking. Another honourable member (Mr. Wilson) was of opinion that the issue of £1 notes was just as safe as that of £5 notes. The honourable member for Harwich thought that convertible paper was a sufficient protection against over risk, and that the bill of 1819 was sufficient without that of 1844; and lastly, the right honourable members for Kendal and Huntingdon thought that if the bill of 1844 was retained, it ought to be accompanied with some relaxations. Now here was every shade of opinion that he knew of from paper inconvertibility to the bill of 1844. Then with regard to another question, that of the proportion of members for Scotland and Ireland, he did not think it so important that particular places should be represented, provided they had fully represented the opinions held in those places. The system of Scotch banking was precisely that which the honourable member for Montrose represented, and consequently he did not think that system could be better represented. But inasmuch as there appeared to be some little jealousy between the Scotch Charter Banks and the others, he had put in the list another honourable member from Scotland who represented also their opinions. But, after all, the case of the three countries was the same, for the question they had to consider was, whether beyond a fixed limit they should issue paper, except upon a foundation of bullion, and in Ireland, Scotland, and England, at present, they were restrained from doing so except upon that foundation. In 1841 they had examined the directors of the Bank of Ireland, and they found that the Provincial Bank of Ireland had always kept by them a much larger amount of gold than the law required. There was no reason to think that the National Bank of Ireland was not equally well managed; or that, in point of fact, the law of 1845 imposed upon them no restriction which they had not voluntarily imposed upon themselves previously. As, however, there were three banks at Belfast, and five out of the six banks in Dublin were directly interested in them, he had thought it right they should

be represented, and he had therefore put in the list the name of his honourable friend, (Mr. Tennent) the member for that city. As to the manufacturing interest, it must be observed, that he had set down the name of his honourable friend Mr. Cobden. He had not done so because his honourable friend was member for the West Riding, but because he had taken great interest in that as well as in every other measure under the consideration of parliament. He did not think it any objection to his honourable friend's representing the manufacturing interests on this committee, that he had lately ceased to be a manufacturer. What was required was practical knowledge and experience, and he thought those who possessed that were not the less qualified to give a sound opinion, because their opinions were not likely to be warped by personal interest (hear, hear). He had also placed the name of his honourable friend Mr. Beckett on the list, because he was a member for one of the largest manufacturing towns (Leeds) in the West Riding, and more than that was a director of one of the best conducted banks in the country, and one which in time of suffering and distress had distinguished itself by the large amount of assistance it had extended to those who needed it. He had also included his honourable friend Alderman Thompson, because he was a bank director and a very large employer of labour. And as to the objection that the employers of labour were not sufficiently represented, he thought there could be no foundation for it, seeing that Mr. Hudson and Mr. Glyn, who also represented the railway interest, were perhaps larger employers of labourers than any other half-dozen members of the house put together. The honourable member for the City of London (Mr. Pattison) had been proposed, but had declined to act on the committee. He hoped that having then attempted to show that the proposed list was fairly constituted, he should be spared from going into a discussion on particular names. He agreed in a great measure with what had fallen from his honourable friend to the effect, that the committee was pretty equally balanced between those who supported the bill of 1844 and those who opposed it, and he would state to the house what his views were with respect to the committee. When the committee was nominated he should propose that his honourable friend the member for Portsmouth (Mr. F. T. Baring) should be appointed chairman. He believed the appointment would be agreeable to the house, and also that no one had given the subject more deliberation. How would the case stand if the committee were constituted as suggested by his noble friend (Lord G. Bentinck) opposite. Supposing Mr. Baring to be chairman, and the six neutral members to remain, he proposed to leave of the supporters of the bill only four, viz:—the Chancellor of the Exchequer, Sir R. Peel, Lord J. Russell, and Sir James Graham; while of those who had expressed an adverse opinion there would be Lord G. Bentinck, Mr. Herries, Alderman Thompson, Mr. T. Baring, Mr. Spooner, Mr. Cayley, Mr. Hudson, Mr. Hume, Mr. Disraeli, Mr. J. Wilson, Mr. Hastie, and Mr. Henley; so that he would have an absolute majority of seven pledged persons (hear, hear). He (Lord G. Bentinck) further proposed to add two to those whom he had called impartial persons, if indeed, the honourable member for North Lancashire could be called so, seeing that he was understood to be not very favourable to the act of 1844. The result would be, that there would be five members pledged to the act, and fourteen against it; and he would ask whether this could be called a fair committee? On the other hand, he did not think, as the list stood, it could be called a packed committee. He had one word more to say, and that was with respect to two honourable members (Mr. Herries and Mr. Hume) who had expressed a wish not to serve on the committee. On public grounds, he should be sorry to be deprived of the assistance of either of those honourable members. He thought it would be a public disadvantage not to have the assistance of the long expe-

rience, intelligence, and acuteness of the right honourable gentleman opposite; and with respect to his honourable friend (Mr. Hume), as there was no one who had taken a greater part in all kinds of public business, or possessed more patience or industry, so he thought it would also be a great loss to the public to be deprived of his services (hear, hear). He trusted, however, that those honourable gentlemen would remember that this was a great public question, that they were called on to perform a great public duty, and that they would consequently serve if they could possibly do so. With respect to the honourable member for Montrose, if he should continue to decline to serve, there were already two members named to supply the vacancy. It was but reasonable that there should be some one to represent the opinions which the honourable member held on the subject. The first notice of substitution was that proposing the name of the honourable member for Birmingham. His (the Chancellor of the Exchequer) only objection to the removal of the name of the honourable member for Montrose, was that the honourable member might be said to represent the free trade system, as regarded Scotland. With regard to the other honourable gentlemen whose names were proposed he (the Chancellor of the Exchequer) did not think that their substitution for those who were proposed by him would have the effect no doubt intended by his noble friend in proposing them. He hoped, however, that every impartial man in and out of that house would concede that he (the Chancellor of the Exchequer) had not proposed an unfair committee. He had discharged his duty to the best of his ability in doing so, and he left the result confidently in the hands of the house.

Mr. DRUMMOND expressed his belief that they would derive no beneficial result from the labours of the committee.

Mr. B. OSBORNE thought the house was about to enact a scene from *'Macbeth about Nothing.'* It appeared to him that the house was about to shelve the question, for the report of the committee might be expected some two years hence, when its labours would be valueless as regarded any benefit to be derived from them by the commercial community. He exceedingly regretted that he was so taken with the speech of Sir R. Peel as to have voted with him instead of with Lord George Bentinck.

Mr. NEWDEGATE hoped the house would appoint practical men, and not mere theorists, upon this committee. Unless they did so, it would be hopeless to expect any benefit from its labours. The Government was pursuing a wrong course if it thought that it could shelve the question by the appointment of this committee.

Lord G. BENTINCK.—It was not my intention to have attempted to address the house until the proper time had come for bringing on my motion—that is to say, when the name of Mr. Labouchere should be proposed; but, sir, I feel that I shall best consult the convenience of the house if I endeavour on this occasion to draw back its attention to the real nature of the subject in debate, and, if possible, to stop the debate which has arisen on the general question (hear, hear). I shall not be tempted by what has fallen from the honourable member for Surrey to say one word upon the subject of the currency; but I shall address myself entirely to the constitution of the committee, which is the real question before the house. Perhaps, also, I shall suit the convenience of the house best by debating now, once for all, the whole question of the alterations proposed to be made in the composition of that committee (hear, hear); and though it may be necessary to take several divisions upon the subject under discussion, I shall not again attempt to trespass upon the attention of the house in relation to it. In proposing to exclude the names of several honourable gentlemen from that committee, for the purpose of substituting those of other honourable gentlemen in their place, I do assure those

honourable gentlemen and the house that I mean them no disrespect whatever. By the circumstance that the house is pledged to have only 20 members on the committee, I am reduced to the invidious necessity of excluding the names of certain honourable gentlemen; but the necessity is not of my creation. Especially when I address myself to the right honourable gentleman opposite (Mr. Labouchere), I can assure him that had I had my choice of all the members of Her Majesty's Government whose names appear on the list of the committee proposed by the Chancellor of the Exchequer, if he was not fettered by the obligations of party, there is not one member of that committee whose name I would not sooner exclude than his (hear). And so, likewise, addressing myself to the honourable and learned member for Liverpool, I say to him, no man can appreciate more highly than I do the great talent and ability uniformly manifested by him, but, seeking to construct a committee of the great importance of this, in the least invidious and least personal manner, I thought the best course to pursue would be to take the two honourable gentlemen on either side of the house who stood lowest down on the list as supporters of the measure to be inquired into. That is the cause why I selected the name of the right honourable the President of the Board of Trade and the honourable and learned member for Liverpool. In proposing the exclusion of the names of the other honourable gentlemen I ought to say, addressing myself to the honourable member for Stoke-upon-Trent, that I selected him as representing the least large commercial and manufacturing constituency in the committee; and in proposing to exclude the name of the honourable baronet the member for the Tower Hamlets, I felt that the City of London was of that consequence in relation to the subject that it ought to be represented on both sides of the question. I conceived, therefore, that while the noble lord at the head of the government was placed on the committee to represent that government, that it was only right and proper some other member who would represent the commercial interests of London should also be placed upon it—a gentleman not fettered and not tied down to a certain set of opinions in consequence of having written a book on the subject. Sir, when the Chancellor of the Exchequer stated that fourteen took a view adverse to the matter of inquiry, and only four a view favourable to it, I am disposed to look at the question differently. First, as the committee now stands, in reference to the members of the present and the late cabinets. Every member of her Majesty's government on that committee goes to the inquiry proposed to take place with his mind fettered; he is consequently disabled from following any but one course in relation to it, that is to say, the course pointed out by the policy of the government to which he belongs. The Chancellor of the Exchequer, or the noble lord the First Lord of the Treasury, will doubtless take the lead in that committee; and all other members of the government will not alone abstain from cross-examination of the witnesses, but will vote thick and thin with their leader. And when my right honourable friend speaks of the past, the present, and the future governments, I beg leave to tell him that there is a very great distinction to be made between the independent gentleman who acts on his own judgment, irrespective of party, and is bound only by his own views of what is just, and those honourable and right honourable members of the past and the present governments who have "eaten the King's salt" (laughter). The right honourable baronet the member for Tamworth, who represents on this occasion the Bank Charter Act of 1844, and the right honourable gentleman the Chancellor of the Exchequer, each agrees on the subject of the inquiry. Indeed, for all practical purposes, the right honourable baronet the member for Tamworth may be almost considered a government man in the matter. The

government was silent on the subject of the fearful distress that prevailed in the country until that right honourable baronet came up to London; and we have all heard in the course of that debate that the right honourable baronet entirely approved of the letter of the Chancellor of the Exchequer. Indeed one would almost suppose that it had been dictated by that right honourable baronet. Well, sir, this is what strikes me in the case, as a fundamental principle, the constitution of the committee is entirely overwhelmed with place-men. That those honourable and right honourable gentlemen will be banded together in support of any particular view that may be taken by their heads there can be no reasonable doubt, which very circumstance will give them an enormous advantage over those other honourable gentlemen associated with them, who are not actuated by such considerations, and between whom, therefore, there cannot be the same degree of union as in the case of honourable members committed to the support of a law of their own creation. What the country requires is, not to see the question referred to a committee consisting so largely of old members of the house. It wishes, on the contrary, to see some new blood infused into it (hear). The right honourable gentleman the Chancellor of the Exchequer says he has endeavoured to appoint men of clear and impartial judgment. It is because I think that the committee proposed by that right honourable gentleman does not consist of such men, that I object to its construction and propose to remedy it (hear, hear). The line of the Government in the matter is a decided one. I do not know whether the right honourable gentlemen the Chancellor of the Exchequer and the noble lord the First Lord of the Treasury have pledged their government, as a government, to stand or fall by the Bank Charter Act of 1844; but this I do know, that Her Majesty's government are pretty well so disposed towards it. It is true that the noble lord and the right honourable gentleman consented at last to break through that Act—but how, and when did they do it? It was not until mercantile houses in this country had failed to the amount of £15,000,000, that the noble lord and the right honourable gentleman were induced to give aid—such as it was—to the sufferings of the commercial classes. The noble lord was urged, by deputations from Liverpool and elsewhere in vain, until the right honourable member for Tamworth came to the rescue. And here, while I am on the subject of the deputation from Liverpool, let me state, though it is not strictly in the order of succession in my argument, why I propose that the name of the honourable member for South Lancashire shall be substituted for that of the honourable and learned member for Liverpool. As the committee now stands there is no representative upon it of the cotton manufacturing interest of this country. The honourable and learned member for Liverpool cannot be considered to represent that interest. Although I am sure no one thinks more highly of the interests of Liverpool, I still doubt whether that honourable and learned member can be said to represent them on this occasion. Therefore I think that while I do the country a service, I do him no unkindness in excluding him from the committee, and I am satisfied that upon reflection such will be his own opinion. There he is, a member of the late Government, attached to his party—and let me not be understood to denounce him on that account, for no one can more highly appreciate the attachments of party than I do—but there he is, bound hand and foot to the opinions of his leader on this question. The place he represents holds one opinion, he holds another. How will the honourable and learned member be placed in case he is nominated by the house to serve on the committee? He will have to worship God or mammon; and I think the hon. member will be well pleased to find the house does not lead him into temptation. It appears from the reports in the public prints relative to the

Liverpool deputation, that though the honourable and learned gentleman was dragged up to London to wait on the noble lord at the head of the Government by his constituents, he was only employed to do the ornamental in the matter—to be a master of the ceremonies—while the member for the county, the honourable member for South Lancashire, did the useful with the Government. As far as Liverpool is concerned, therefore, the honourable member for South Lancashire, and not the right honourable gentleman its representative, was selected to explain the commercial distress of that town to the Treasury; consequently I consider that I am fully warranted in proposing the substitution of one name for the other. I hope I have explained myself so as not to seem to mean any disrespect to the honourable and learned gentleman or to the right honourable President of the Board of Trade. Let us now look at the constitution of the committee in other respects; and I beg to premise in this instance, as in the last, that nothing disrespectful is intended in my observations on the subject. My name stands at the head of the list, after the head of the government, and therefore I can feel no disrespect for it. I find that there are on that list the Prime Minister, an ex-Prime Minister, the Chancellor of the Exchequer, three ex-Chancellors of the Exchequer, an ex-Secretary of State for the Home Department, and an ex-Secretary of the Treasury. All these are men who have sat on committees on the subject to be investigated before, and who are able to extract evidence to support their own views from any witness. The independent members of the house who are not accustomed to the process of extraction, will be consequently a very bad match for men of such rare talent and great experience as these right honourable and honourable gentlemen. I think, therefore, that in so far the constitution of this committee cannot, composed as it is of so many official persons, be considered either a fair or an impartial one. The remainder of the house I find represented by one gentleman, who is able to lead them. The rest of the house is represented by one honourable gentleman, who is an ex-cabinet minister. One party, therefore, will be unequally matched, if not in quality, at least they would be overmatched in quantity. On further view I find in the committee six gentlemen who are stated to be Peelites (hear). Eleven are strong Whigs, and they worked together as a body. There are then seventeen gentlemen on the committee, all, generally speaking, of one way of thinking, and in this number I do not include Mr. Hume. In all that honourable member's views I do not concur, more particularly because he is disposed to bind the hands of the committee. There can be no use in doing so. Well, then, sir, I have now explained the grounds on which I think the cotton interests of Lancashire and the commercial interests of Liverpool might be better represented by the honourable gentleman who differs from me in political matters than by the honourable and learned gentleman named on the committee. And I call the attention of the house to this further circumstance, that in the names proposed to be substituted, I have only named one gentleman who holds the same opinion and who acts as I do. I now come to the case of Scotland. The right honourable gentleman the Chancellor of the Exchequer has named the honourable member for Perthshire; but I do not think that gentleman sufficiently represents the feelings or interests of Scotland. He is rather the representative of his own Bank Charter Act, and as this must in a degree favour the principle of monopoly, I rather think it will be found this is in opposition to the general feeling of Scotland. I propose, then, to substitute the name of Mr. Hastie. I come now to the City of London. I have ventured to put the name of one honourable member connected with the City of London on the list. I think every man must feel that this gentleman understands the interests of the City of London, as well or better

than any other individual. Then I find the Bank of England, as the committee is constituted, is represented by one member only; we have strong reason to feel how necessary it is to have some gentleman on the committee who is conversant with the transactions which took place between the government and the Bank of England (hear, hear). If we have the honourable member I have named, he may be supposed to be acquainted with the entire arrangements between her Majesty's government and the Bank of England as far as regards the division of the profits of usury. It is necessary to have some such gentlemen on the committee for the defence of the Bank of England—for that Bank of England which both parties, the present and the late government, concur in making the scape-goat of the occasion (hear). Both parties have thrown on the Bank of England the blame of a great portion of the pressure, and, therefore, it is as necessary to represent the Bank of England as it is to represent the commercial interests of the City of London. And when I say the commercial interests of the City of London, I have a right to use the term, for it was the bankers and persons connected with the commercial interests of the city of London, who at the last moment prevailed on government to change their determination (hear). When the Liverpool deputation went to government, they were distinctly told that there was no hope for them. Then came another deputation, headed by the honourable member for Birmingham, who also had an interview with government. True it is, her Majesty's government were not quite so obdurate on that occasion. They did not say there is no hope, but the noble lord gave a willy nilly answer, a sort of a "I don't say I won't, and I don't say I will" reply. Still, her Majesty's government did not relent until the next Saturday, when the merchants and bankers of the City of London waited on the noble lord, whom they then found unaccompanied and unprotected by the Chancellor of the Exchequer (hear). His chaperon was out of the way (laughter), and the deputation were consequently more successful. His lordship agreed to take off the restriction, and the Chancellor of the Exchequer himself admitted that when the restriction was taken off it acted like a charm on the commercial world. The right honourable gentleman told us that he communicated with all sorts of persons, and everybody said to him, "Do something for us—only say you will take care of us and stand by us—look at us, give us the light of your countenance, and all will be right." The right honourable gentleman said he should not have done his duty unless he had submitted to remove the existing restriction. The right honourable gentleman told the house of the tens of thousands of bank-notes which then came out of tens of thousands of tin boxes, and there was an end of the panic. Well, when we find that the panic ceased on taking off the restriction, I ask the house if it is right that the City of London should go altogether unrepresented in the committee! I therefore propose to insert the name of Pattison instead of Clay on the list. I feel also that the latter gentleman is bound down in his opinion by a pamphlet which he has written, and that he is not in a condition fairly to exercise his judgment on the question. I also propose to insert the name of Mr. Henley, the honourable member for Oxford, in order to exclude the name of Mr. Ricardo. Mr. Ricardo does not represent the commercial interests of the country. He has no connection with commercial interests. The only interest he is supposed to represent is that of the stockbrokers—an interest that is considered not to be exactly connected with any commercial interest. Besides, the honourable member has strong opinions on the currency; he has an hereditary right to represent particular opinions on the currency. The honourable member has, however, been mistaken in his opinions, and has avowed as much. The mistake was in supposing that in 1819 the change which took place had

only effected a depreciation to the extent of about 3 per cent. I therefore propose Mr. Henley instead of Mr. Ricardo. Mr. Henley is opposed to the principle of the Bank Charter Act, though he did not vote against the second reading of the bill. In committee, however, he moved that it be read that day six months. I have now stated all the objections I have to the original committee. It is astonishing, as well as unsatisfactory, to find in the right honourable gentleman's committee that every member who has voted against the principle of the bill, has been carefully excluded, and I therefore make the present suggestions to the house.

Mr. HUME said he had declined to sit on the committee because he saw no prospect of its labours terminating usefully. They might as well attempt to regulate the course of the stars as to regulate their currency by act of parliament, and for his own part he was for free trade in banking as in everything else. He firmly believed that free trade in corn was as nothing to the importance of free trade in banking.

After some further discussion, the following gentlemen were appointed members of the committee, without a division:—The Chancellor of the Exchequer, Sir R. Peel, Lord J. Russell, and Lord G. Bentinck.

Mr. Herries' name was then added to the committee.

Mr. PATTISON said, he firmly believed that if he lived to see Sir R. Peel again at the head of the Government, the right honourable baronet would himself be the first to propose an alteration in the Bank Charter Act.

The names of Alderman Thompson, Mr. Goulburn, and Mr. Labouchere were then proposed to be added to the committee.

Lord G. BENTINCK moved that Mr. Hastie be appointed in the room of Mr. Labouchere.

On a division, the amendment of the noble lord was defeated by a majority of 194 to 77.

It was then proposed to substitute the name of Mr. Brown for that of Mr. Cardwell, but on a division this amendment was also negatived by a majority of 167 to 101.

The name of Mr. Hudson was added to the committee without opposition.

Mr. WAKLEY proposed that the name of Mr. Muntz should be substituted for that of Mr. Hume, who had declined to serve on the committee.

The house again divided, and the amendment was defeated by a majority of 188 to 97.

Mr. WAKLEY said, as Mr. Hume had declined to serve, it was apparent that the object was to keep Mr. Muntz out of the committee. Under these circumstances he would move the adjournment of the debate.

Colonel SIBTHORP seconded the amendment.

Lord J. RUSSELL said that if Mr. Hume, after hearing the resolution of the house, should decline to serve, the name of Mr. Muntz, or any other honourable member, might then be substituted.

Dr. BOWRING had heard Mr. Hume say he would not serve on the committee, but thought it likely that, after the resolution of the house, he might alter his determination.

After some further discussion, in which the Chancellor of the Exchequer, Sir R. Peel, and other honourable members took part,

It was agreed to that Mr. Hume's name should remain on the committee.

On the motion that the name of Mr. Henley be substituted for that of Mr. Ricardo,

The house again divided, and the amendment was negatived by a majority of 172 to 105.

The name of Mr. Glyn was, after some discussion, agreed to without a division.

On the motion that Sir William Clay form one of the committee,

Lord G. BENTICK moved, as an amendment, the substitution of the name of Mr. Pattison.

The house divided, and the amendment was negatived by a majority of 152 to 122.

The remaining names on the Chancellor's list were then, after a short discussion, agreed to.

The following are the names of the Committee appointed :—The Chancellor of the Exchequer, Sir R. Peel, Lord G. Bentinck, Mr. Herries, Mr. Goulburn, Alderman Thompson, Mr. Labouchere, Sir James Graham, Mr. Francis Baring, Mr. Thomas Baring, Mr. Cobden, Mr. Spooner, Mr. William Beckett, Mr. Cayley, Mr. Cardwell, Mr. Hudson, Mr. Hume, Mr. Ricardo, Mr. Glyn, Sir William Clay, Mr. Disraeli, Mr. Thorneley, Mr. James Wilson, Mr. Home Drummond, and Mr. Tennant.

THE BANKERS' MAGAZINE ;

AND

Journal of the Money Market.

AUGUST, 1848.

SUPPLEMENTAL NUMBER.

Commercial Distress and the Bank Charter Act.

THE EVIDENCE taken before the Secret Committee of the House of Commons, appointed to inquire into the causes of the recent Commercial Distress ; and how far it has been affected by the laws for regulating the issue of Bank Notes payable on demand.*

MEMBERS OF THE COMMITTEE APPOINTED 3RD DECEMBER, 1847.

Mr. Chancellor of the Exchequer,
Sir Robert Peel,
Mr. Cobden,
Mr. Herries,
Mr. Cayley,
Mr. Labouchere,
Mr. Disraeli,
Mr. Glyn,
Mr. Home Drummond,
Sir James Graham,
Mr. Thomas Baring,
Lord George Bentinck,
Mr. Beckett,

Mr. Alderman Thompson,
Mr. Hudson,
Mr. J. L. Ricardo,
Mr. James Wilson,
Mr. F. T. Baring,
Lord John Russell,
Mr. Spooner,
Mr. Goulburn,
Mr. Cardwell,
Mr. Hume,
Mr. Thornely,
Sir William Clay,
Mr. Tennent.

HOUSE OF COMMONS, 8th and 11th February, 1848.

The Right Honourable F. T. BARING, in the Chair.

Adam Hodgson, Esq., Examined.

1. *Chairman.*] You are one of the directors of one of the joint-stock banks at Liverpool?—Yes; I am one of the two confidential directors of the bank of Liverpool.

* In the following publication of the evidence given by the several witnesses examined by the Committee, we have prefixed to each question the number attached to it in the Parliamentary Report ; but in order to condense the facts, we have brought together, under one heading, all the evidence given by each witness on any particular subject of inquiry. We have also omitted any repetition of statements and colloquial observations not important to the matter in question.

2. You were, I think one of the deputation to the Government in April, 1847?—I was.

3. And, I believe, I am right in saying that you have attended here at the request of some of the gentlemen at Liverpool in consequence of the desire of the Committee, communicated through Mr. Cardwell, that we might have information of the commercial state of Liverpool?—I have.

4. Before we go into the history of the difficulties that have arisen, will you have the goodness to state to the Committee what you consider the state of trade at Liverpool to have been at the commencement of 1847?—There was nothing at that period that had excited any particular attention; there had been a very unusually large increase in the spinning of cotton; but in Liverpool there was nothing to mark the period peculiarly.

5. I speak of trade, independently of the railway speculations?—Yes, I quite understood you so; when we came up in April, there was a very strong feeling among all those who came up, that trade was generally in a sound state; that was generally stated to the Government as the opinion of all the gentlemen in the deputation; there had been nothing in the accounts of the customers of our bank different from usual.

6. Is it your opinion now, after you have seen what has taken place since, that, at the commencement of 1847, trade at Liverpool, generally speaking, was in a wholesome state?—I should say, generally speaking, it was; there were a few instances of very preposterous overtrading, but those, I think, were confined to a very few individuals.

The Crisis in April, 1847.

7. Will you proceed to state to us what took place in April?—The first circumstance that called our attention in any particular degree to any difficulties of the times was an announcement from the Bank of England that our discounts with them must be diminished one-half, as they ran off; that was in the last week of April, and, I believe, a similar notice was pretty generally given; so we understood.

8. Perhaps you had better state to us what your arrangements were with the Bank of England as regards discounts?—It is very necessary to state that, because we have two accounts, under our arrangement with the Bank of England; the one, an engagement to discount for us, under all circumstances and at all times, to the extent of £200,000, arising out of our original agreement with the Bank not to issue our own notes, and not to re-issue bills of exchange; that we call our contract account; but, in addition to that, we have always a general account which is not under any specific limit, but which, on this occasion, was suddenly reduced one-half.

9. Then the announcement of the Bank, as I understand, was confined to what you call your general account?—Yes; therefore it was not, in point of fact, diminishing our discounts to the extent of one-half, taking them altogether, but it was with reference to the general account that the discounts were to be diminished one-half.

10. It was that announcement which you consider to have produced the first effect at Liverpool?—Yes, it gave very general alarm.

11. *Mr. Spooner.*] Will you state the proportion which the discount under your special, bore to the discount under your general account?—The other was about £136,000.

12. *Mr. Chancellor of the Exchequer.*] At the time when you received the announcement?—Yes, at the time, or within a day or two after.

13. *Chairman.*] At what rate of interest is your contract account?—It used to be called our three per cent. account; it was originally three per cent.; it has latterly been four per cent.

14. *Mr. Spooner.*] At what time did it become four per cent. ?—I cannot recollect the exact time when it was altered, but it was altered in this way; the original three per cent. account was the one which we had when the Bill of 1844 was passed; that gave us certain rights arising out of that 3 per cent. account; those rights we commuted, for the power of having the account which I have now mentioned, instead of one per cent. on all the notes we could keep out, which the Act gave us the right to; we commuted that right with the Bank of England for the power of having £200,000 at one per cent. less than the London rate; the maximum to be four per cent.

15. *Chairman.*] Will you proceed to state what followed this announcement?—The announcement alarmed us a good deal, and some other bankers came to us, and several merchants, to consult what should be done, and it was decided that a deputation should be sent immediately to the Government to tell them the awkward position in which the Bank had placed us; for though we were prepared to meet our own engagements, it very greatly indeed crippled our power of helping the merchants.

16. You attended that deputation?—I did; I may perhaps state that the announcement operated with peculiar hardship on this account, that the payments into Liverpool had latterly been much more in bills than in cash; and the merchants who generally brought to the Bank a large proportion of cash with which to pay their acceptances, had latterly been able to bring only bills which they had received for their cotton and other produce, and that increased very rapidly as the difficulties increased; but we saw that it would make the restriction operate much more severely.

17. *Mr. Chancellor of the Exchequer.*] What description of bills were those?—The bills were cotton, or other bills, not exceeding three months' date; that is the rule for cotton payments. The acceptances I refer to, which the Bank had to pay for the merchants, were acceptances drawn chiefly upon them from abroad, and they have been accustomed to meet those acceptances by whatever payment they received for their produce.

18. What was the description of bills that the merchants brought to you in lieu of cash, which they usually brought?—They were bills of various dates, and of various descriptions; a considerable number of them were bankers' bills, of three months' date, the large bulk being cotton bills; but they were of every description of bills almost that can be mentioned.

19. *Mr. Hume.*] Were they in payment of goods shipped abroad, or were they bills originating in England?—They were almost entirely bills originating in England, and received by merchants in payment for the produce sold by the merchants.

20. *Mr. Chancellor of the Exchequer.*] By whom were those bills accepted generally?—A considerable number of them were bankers' bills, accepted by London bankers, and by merchants in every trade that we could mention—the Brazilian, the American, the Canadian, the West Indian, and almost every description of foreign trade that our connexions might happen to be in.

21. Then, in lieu of payments in cash, the merchants drew upon each other, and substituted payments, by means of those bills, for payments in cash?—No, not at all; the merchants did not draw upon each other; but the parties in the interior, who had purchased produce from the merchants, remitted to the merchants bills on London Bankers, or bills on various parties in London, or bills upon anybody; they were almost every description of paper that is usual in the interior trade, and in the general commerce of the country; they were what we call promiscuous bills; bills of every description.

49. By the *Chairman.*] You were stating the effect of the announcement of the Bank of England to diminish your discount account to half; will you proceed with your statement?—That led to a deputation to London, when we had the pleasure of waiting on Lord John Russell and the Chan-

cellor of the Exchequer, and stating the circumstances to them; and the following day we were recommended by the government to go to the governor of the Bank of England, and we found that they were prepared to make some very slight relaxation; they had previously seemed to think that they could not do it, but afterwards they agreed to make a slight relaxation.

50. Can you recollect at what date this was?—I think it would be the very end of April, or the beginning of May. The relaxation which they agreed to was this: instead of reducing our discounts to one-half of what we had had before, they said, "We will agree that you shall have whatever you had last Saturday night;" they asked whether we were satisfied with that, and we said, until we knew what proportion that bore to our ordinary amount, we really could hardly tell; they told us that what we had had on the previous Saturday night was £136,000, and that to that extent we might go again.

51. That £136,000 was upon your general account? Yes; that the total amount of discounts at any one time should not exceed that sum; with the general date of the bills that we pay in, it would be something like £13,000, the weekly discount on our general account; and in the same way, upon the £200,000 it would be something like £20,000, and those two added together would be equivalent to a discount of £33,000; it is dependent upon the date of the bills we pay in, but that would be the average.

52. The limit on the two accounts would be £336,000?—Yes.

53. You saw the government, and you laid before them the state of trade, and the position of Liverpool at that time?—Yes; we stated to them that what we were very anxious to obtain was relief from the immediate pressure which had been suddenly occasioned by the action of the Bank of England; that we did not consider that we were smarting under the operation of any particular Act of Parliament then; but that there had been a sudden action of the Bank which had created a sudden alarm, and seemed to have dried up the current of bank notes, and we wished to be relieved from the effects of that sudden alarm; that sudden action having been spoken of very strongly in the House of Commons a few nights before.

54. And the Bank relaxed to the extent which you have stated?—Yes; the effect of that relaxation, though it was small, was very important; we wanted only the slightest thing to restore a certain amount of confidence, which had been very greatly destroyed by the sudden announcement of the Bank of England; and when we went back, and said we had had a small relaxation, it did restore confidence. There was a great deal of tightness and inconvenience afterwards, but the peculiarity of the crisis at that time was this: if no relaxation at all had been given, I think a great many solvent houses, with bills in their cases, would have stopped payment. We stated that to the Government; and I firmly believe now, that that stoppage was averted by the slight relaxation which the Bank gave, and that is a peculiarity which, when we come to October, will deserve to be remembered, because it was not the peculiarity of the crisis of October.

55. What effect had this relaxation upon discounts?—It was not a question of the rate of discount at all, it was a question simply of the power of discounting; it enabled us to do a little more; but there was a good deal more in the amount of confidence it inspired; and I may be allowed to say, that nothing is more material through the whole of this examination for us to remember, than the extreme importance and the ultimate effect on prices of a state of alarm or a state of ease, and that it is not simply the amount of what can be got, but the removal of the apprehension, that by-and-bye, if the alarm continues, nothing will be got.

56. Had it practically any effect upon the amount of your discounts?—I think it had; I think it enabled us to go a little further.

57. A little further than you had gone?—A little further, probably, not than

we had gone, but than we should have gone, after the announcement of the restrictive measure, if this slight relaxation had not been made.

The Crisis in October, 1847.

67. By the *Chairman*.] How long did the pressure last after the interview which you had with the Bank?—By the 13th of May it was very considerably abated, and it gradually passed away.

68. Will you proceed to October?—The first memorandum that I see here in October, which is an extract from the proceedings of the Board, is this: "The manager stated that this meeting had been specially called to enable him to make a statement to the Board in the present very uncomfortable state of the community, from the difficulty of obtaining discounts, and the pressure occasioned by the failure of several respectable firms."

69. When was the failure of the houses in the corn trade?—I think that was in September, and that is what is referred to here, I think. Then it proceeds: "Mr. Langton stated his conversation with Mr. Fletcher, who is the manager of the branch bank in Liverpool—(there are some other remarks here in reference to the communication with Mr. Fletcher, of a private kind,)—from which it appears clearly that the utmost amount of discount that we can look for is what is supplied by the contract account, and the balance remaining of the sum of £136,000, granted to us in May last, of which £26,000 only now remains open, and this is only now given from day to day to the extent of what bills we may feel obliged to do for our customers. Resolved, That the Bank adjourn to twelve o'clock to-morrow, to hear the result of Mr. Fletcher's letter to London, and of an application Mr. Glyn has been requested to make to the Governor of the Bank."

70. Mr. Alderman *Thompson*.] What is the date of that?—The date of this is the 4th, and the next is dated the 5th of October. The manager stated, "That out of two small sums of £10,000 each, sent to London to the broker's, only one had been done," that is, re-discounted; "also that he had seen Mr. Fletcher, whose orders were, to restrict all discounts; and the utmost he could get him to do would be to give him £4,000, £5,000, or £6,000, if he took so many bills to uphold mercantile houses." I do not know whether it is at all necessary for me to say that in making any of these remarks, we do not in the slightest degree wish to reflect upon the Bank, for we believe that they did all they could to assist the community: I am merely stating the facts as they arose. Then, on the 6th of October: "The manager stated that he had seen Mr. Fletcher this morning, and that he would not discount anything for us to-day." Then the pressure continued very severe. We had a considerable reserve of cash, £200,000, within our control, and we thought it might be advantageous to the community if we could use it and throw it into the circulation again, but that we could not do it consistently with our own safety, unless we could be secure of having it replaced by the Bank of England, in case we required it. I was therefore requested to proceed to London, and see the Governor, and mention to him that we should be willing to part with this reserve, which, in the peculiar state of the times, we considered essential to our own safety, provided the Bank thought it right to agree to restore it to us, if we required it. The Governor of the Bank stated that the very principle on which we were acting was that on which they themselves were acting, and that if they did come under this engagement to us, they would be obliged to lock the same sum up in their own drawers, and that no good would therefore arise from assenting to our proposal. We stated at the same time that we had generally managed to keep our reserve in such a form as would interfere the least with the circulation; and that we had then £100,000 at call with certain bill brokers, who were unable, when applied to, to return us more than £25,000, and that that showed us the absolute necessity of having the reserve

within our own hands. Nothing particular, I think, occurred after that till Sunday, the 17th of October, when, late at night, a director of the Royal Bank of Liverpool, and a director of another joint-stock bank, came to my house to inform me that the Royal Bank would not open its doors the following day. On the 18th, the day after, I have this memorandum extracted from our books: "The manager stated that the Board had been summoned in consequence of the stoppage of the Royal Bank, in which case a run might be anticipated. Mr. Hodgson and Mr. Langton reported; that they had called at the branch bank this morning, and understood from Mr. Fletcher that his power of discounting was still very limited. Resolved, That, under existing circumstances, Mr. Fletcher be requested to communicate specially with the Governor, with the view of obtaining permission to discount more freely with this bank in case of severe pressure, from a sudden run, and the further concurrence of the Court to a temporary issue of bills of exchange as money, if such a step should become necessary." Our understanding with the Bank is, that we are not to re-issue those promiscuous bills of exchange which I have been speaking of, and which many other banks do re-issue, and which, I have no doubt it is well known to this Committee, have often formed a large part of the circulation of Lancashire; we have tied ourselves up from issuing those bills without the permission of the Bank. On the 26th of October the general Board met; they only met weekly, and, therefore, this report happened to be made to them a week after; but we got an answer from the Governor immediately after our communication: "The manager reported the reply of the Bank of England, that they would consent, if necessary, to the issue of bills under the circumstances named in the minute of the 18th of October, until this pressure be over, but that they could not give us any further facility of discounts." Then I may mention, that on the 18th of October, the Monday, we had, as we anticipated, a run upon us; several of the banks had a run upon them in consequence of the stoppage of the Royal Bank, which showed that our preparations had not been unnecessary.

71. *Chairman.*—How long did it continue?—For three days. We were rather unfortunately situated, from the name of the Bank of Liverpool being somewhat similar to that of the Royal Bank; some persons thought that our bank had stopped, and that brought our depositors to the bank. We parted on the first day, the Monday, with about £50,000, as we considered, in consequence of the run; and, in the course of the week, with about £100,000; as far as we could ascertain, that was occasioned solely by the run. That is all I have to state consecutively; but, as it has been stated that good bills could always be discounted by the Bank of England, I just wish to give one instance to show that they could not be always discounted in Liverpool at the Branch Bank of England; I have permission from the gentleman who was concerned in it to read it: "On the 23rd October, 1847, Messrs. Hugh and Joseph Hornby and Company received from Paris two bills, one on Heath, Furze, and Company, of London, due the 26th of October, for £1,000; the other on Huth and Company, drawn by F. C. Hauf, a highly respectable house, due 26th October, for £500;" these bills were both indorsed by Messrs. Hottinguer and Company, of Paris, and by the Bank of France. The memorandum goes on to state: "Messrs. Hornby sent these bills on the 23rd October, by a clerk, to the Liverpool Branch of the Bank of England, intending them for collection to their credit at maturity. The agent, supposing they were intended for discount, returned them, with a message that he could not give bank notes for them that day. Messrs. Hornby have a regular discount account with the Bank of England Branch, and had much less paper with them at that time than frequently before."

Causes of the Crisis.

85. *Chairman.*] What do you consider were the causes of the difficulties

experienced by commerce in April and October?—I think the primary cause was the deficient harvest of 1846, and another very important cause, I think, was the large investments in railways.

86. Do you attribute it at all to the operation of the Bill of 1844?—I feel it to be quite impossible to judge of that, unless I were aware what would have been the policy of the Bank without that Bill; the Bill of 1844 could only operate in two ways, the one, by acting on the imagination of the people, increasing their alarm, whether with reason or not, and the other, by controlling the operations of the Bank; and without knowing what would have been the policy pursued by the Bank if no such Bill had existed, I feel it impossible to say whether the Bill had any effect or not.

Conduct of the Bank.

87. *Chairman.*] With reference to the conduct of the Bank during the difficulties, I understood you to state you had no complaint to make of there being any desire shown on their part to create difficulties when you applied to them?—Not the slightest. We felt throughout the whole proceedings that the Bank were doing all they could, and all that we, if we had been in their place, should have been disposed to do; there were difficult circumstances to contend with, there was never a period in which we did not feel that they were placed in a position of great difficulty, and that they did all that we could reasonably expect from them.

88. Am I to understand you to apply that approval generally; do you consider that the conduct of the Bank in the earlier stages was also satisfactory?—With respect to the policy of the Bank as acting upon the circulation, I certainly think that if they had looked somewhat more closely at the signs of the times in August, 1846, they would not have reduced the discount, which I think was reduced from $3\frac{1}{2}$ to 3 per cent., and I think they would have raised it again earlier; I only mean to give that as my opinion of the policy which the then state of things would have suggested to me.

89. You do not approve of that reduction which was made in the summer of 1846?—I think it was in August, 1846, that, in the face of a failing harvest, and the almost certainty of a large importation of foreign grain, they reduced the rate of discount: I should not have thought, if I had been in their place, that that was the time to reduce the rate of interest, but rather to increase it.

90. Do you consider that they took sufficient steps in the early part of 1847?—I think they raised the rate of interest to $3\frac{1}{2}$ per cent. about the 10th or 15th of January, and immediately afterwards to 4 per cent., and I am of opinion that if they had raised it earlier then, and rather more, it might very probably have prevented their being under the necessity of giving that sudden announcement in April; and in that way I think great mischief would have been avoided.

99. *Mr. Alderman Thompson.*]—Are you aware of the extent of additional aid that was made by the Bank of England to the banks of Liverpool and the merchants of Liverpool, during what you have designated the crisis of April last and October?—I am aware that it was very great. We were often told by the Bank, “We have gone so very far in rendering assistance to other people, that we cannot do anything for you. If you had applied before, you would have had what you wanted; but now other people have had it, and you will not be surprised if we cannot do anything for you.” I am aware of great exertion on the part of the Bank to grant assistance. I do not think it could have been exceeded.

100. Looking at the state of the reserve which the Bank had on their banking account at the times to which I have referred, you think that they made every exertion which they judiciously could to relieve the pressure of the Bank?—I confidently believe it.

101. You have stated that you thought the Bank committed an error in

August 1846, in reducing the rate of discount from $3\frac{1}{2}$ to 3 per cent.; were you aware, when you gave that opinion, that in August the amount of bullion which the Bank possessed was the largest amount ever known in the history of the Bank to have been in their possession, namely, upwards of £16,300,000; and are you also aware that the reserve at that time was upwards of nine millions and-a-half, and that foreign exchanges were at a higher point than they had been at for several years. Taking all these circumstances into consideration, are you still of opinion that the Bank committed an error in reducing the rate of discount at that time?—I am still of opinion that it did; because, I think that the circumstances which were beginning to appear, were of so very alarming a character, that, notwithstanding that very favourable state of the Bank, it did require not only that they should give a monition to the public, but act positively on the currency by raising the rate of discount.

306. *Mr. T. Baring.*] You stated that you thought the Bank of England was wrong in August, 1846, in lowering its rate of discount, notwithstanding the exchanges were in its favour, and the amount of gold was greater than it ever possessed before, and its reserve of notes was $9\frac{1}{2}$ millions; if the Bank of England is to act upon the circulation in the same way as a metallic circulation would act upon it, was it not justified in lowering its rate of interest, and issuing notes?—I think that that entirely depends upon the judgment it might form of the extent of unfavourable circumstances which were beginning to appear on the horizon, and if it could have anticipated so large a drain of gold as has since taken place, and which the failure of the potato crop in Ireland, and the bad harvest in England, would, I think, have perfectly justified them in anticipating: then I think it was wrong for them to reduce their rate of discount.

307. You think the Bank ought to exercise a discretion, and not to act upon regular rules?—I do think so; in the first place, wherever circumstances affecting the state of credit are at all brought into the calculation, they cannot go by regular rules; they must take other considerations into account, and advert to the probable state of things; I can hardly conceive of fixed and absolute rules being compatible with the intelligent administration of a bank, and still less with the management of the circulation.

308. You said that you wished that the Bank of England should not look to its profits; if it is to act in its banking department like other banks, it must look to the profit of the proprietors?—Unquestionably it must; and what I regret is, that it should have opposite duties imposed upon it, and I think that it is a radical vice in the constitution of the Bank of England, that it is expected to discharge conflicting functions.

Proposed Reform of our Monetary System.

92. *Chairman.*] How far do you think the Bill was successful in restricting the issue of local banks?—I think it was perfectly successful, and that it was most important to attain that object.

93. Do you think that that object was attained by the Bill?—I think it was fully secured by the Bill.

94. With regard to securing the convertibility of notes, what is your opinion of the Bill?—I do not think it has secured the convertibility of notes at all: the notes remained convertible up to the suspension of the Bill; but I believe that if the Bill had not been suspended then, or some similar measure adopted, notes would have ceased to be convertible. Looking to the general state of things throughout the country, and to what I know to have been the state of things in London, and the position of trade generally; to the alarm that was spreading rapidly through the country, and to the fact that the power of the Bank had been reduced to such a point, that if there had been any apprehension of the failure of the country banks it could not further support them, and that very little might have occasioned, (I might perhaps go further and

say) would have occasioned the failure of banks in large towns and in the country; believing that, if one or two country banks of any magnitude had failed, alarm would have been spread throughout the Kingdom, or if one or two London banks had failed, consternation would have been general; seeing, also, the considerable amount of reserve in the hands of the country bankers and joint stock banks, and the necessity that there would have been of having that reserve as early as possible converted into gold, if the Bank was obliged to stop; seeing that a reserve of £20,000 for each of 300 country banks would have taken six or seven millions; or, of £15,000 each, would have taken five millions; and that if the run for gold had once begun, it would probably have gone on until the Treasury was drained; seeing all this, my firm opinion is, that the Bill of 1844 has not secured convertibility; and I state the grounds on which that opinion is formed.

95. Are you prepared to state any measures which you would consider advisable to be adopted for the purpose of placing the monetary system upon a better footing?—There are two broad principles on which I should be disposed to think it would be advantageous to act; one is, to make the metallic basis of the currency larger, and the other is, to secure more unity of purpose in the administration of the affairs of the Bank of England; not to have a body so fluctuating, and a change of policy depending upon one or two accidental votes. If the Governor and Deputy-governor were out of business, and were paid for their services, and their whole time and attention given to so important a subject as the administration of the currency, I think very great public good would be attained: I say it with every feeling of respect to the Bank; but I think there would be a greater uniformity of action, and that they would have more time to look systematically at the first indications of circumstances that might by-and-by produce adverse exchanges, and the various difficulties into which the country would be thrown by them. I have never seen such perfect discouragement thrown upon commercial matters as I have seen in the last year; I have been 30 years in business, and I have never witnessed the feeling of helplessness and hopelessness so strong as in the last year; there were heavier losses in 1825, but I never saw a greater feeling of discouragement, persons not knowing what they could depend upon in looking to distant operations. Anything that would enable us to encounter the difficulties that we have to encounter in our mercantile operations, from the sudden calls upon us from a bad harvest, I think would be of great national consequence, and it seems to me that a wider metallic basis is almost essential to the attainment of that object.

96. What practical proposal would you make upon the subject of a wider metallic basis?—I am not prepared to state the form in which it should be done. In the first place I should like to see the capital of the Bank of England repaid, and that the Bank of England should have command over its resources. I think that is an essential thing to begin with, and I think if it had that command over its resources, provision might be made for adverse times and serious contingencies. Whenever we have an export of any extraordinary amount of the precious metals, we not only lose that amount which is unavoidable, but we have everything throughout the country deranged. There is hardly any price that we could pay, which, in my opinion, is too high a price to prevent that. The loss generally from panic, and the closing of the channels of commerce, directly and indirectly, I feel perfectly satisfied, is many times greater than the interest of a large amount of bullion kept in some way or other under the control of the Bank, in the issue department, or the banking department as it might be; and I think one most important thing to look at in connexion with any alteration which might take place, is to take from the Bank—(I do not like to call it the temptation)—but to take from the Bank the feeling that their duty to their proprietors requires them to get rid

of a large amount of bullion. They should be exempt from the necessity of having to account to the proprietors for holding too large an amount of bullion; those who have the administration of the currency should not have a personal interest in diminishing the amount of bullion to the minimum, instead of having reference solely to its connexion with the circulation.

97. Would you propose that a smaller number of notes should be issued upon securities?—I should feel it presumptuous to go much into detail upon a subject of this kind, because in doing so, it is necessary to carry out the whole plan. If the Bank of England had its capital repaid,—of course I do not mean in such difficult times as these, but that the principle should be established to be acted upon in better times,—if it had its capital repaid, the question then is, whether it should be repaid into the banking department, or the issue department; but they, whoever they might be, who had to administer the affairs of the Bank, and who had so to apply it, that it might be rendered more available than it is now as capital, would have to consider how much of it they should keep in bullion, and how much they should employ in other ways. Suppose the Bank kept a certain amount of foreign bills always under discount, that would give us a claim upon foreign countries, in the event of an adverse exchange, to a certain amount. Suppose they had five or six millions or a certain amount of foreign stock, to which I know there are objections, as invested in foreign bills or in bullion, in whatever proportion might be deemed expedient, then you would have something by which you could discharge your debts to foreign countries, when you had an unusual amount of debt to them. When we are pressed for corn, we cannot wait for it; foreigners can wait for our manufactures till adverse times are over; they can go on for six or eight months, wearing out their clothes, but we cannot wait for our corn. It seems to be taken for granted that we can always create a want abroad for our manufactures. I think that mistake lies at the root of great practical mischief; and I think, in this large commercial country, looking to the way in which our commerce has increased of late years, and looking to the enormous extent of it now, our metallic basis does seem too small. It has been said, and said truly, by a very eminent person, that we erect a larger superstructure upon a smaller foundation of bullion than any other country. Then the question arises whether you should diminish your credit, or whether you should enlarge your basis of bullion, if there is this disproportion. We know that credit may be abused; but credit has been the foundation of the commerce of this country; and if we think it inexpedient to maintain our present extent of credit on our present basis, then give it a broader basis; but at all events we are extremely anxious, commercially, that the subject should be considered with a view to see if there are not ways by which these violent revolutions may be mitigated. We have two of them in one year, and the anxiety and pressure of these panics, coming on one after another, is becoming to many persons intolerable. There is hardly any expense that would not appear to be a small expense, compared with the object attained, if it could be attained.

179. *Mr. Cayley.*] Your objection to the present system is, that, losing a few millions to pay for corn, and to ratify the exchanges, deranges the whole commercial state of the country, which extends to some hundreds of millions.—Yes.

180. You think that the main difficulty of the present system of currency is, that in consequence of the export of bullion, to restore the exchange, the whole of the internal transactions of the country suffer very materially?—I do.

181. And you consider that that state of things requires a remedy?—I do.

182. Supposing there was a broader basis for the circulation which you recommend, of what would you constitute that broader basis?—I have already stated that part of it would be in bullion. In the first place, it would be made broader by the repayment of the capital of the Bank of England, of which some

part might be retained in bullion, and some part in securities, which might be easily converted, and, if possible, some part in foreign securities, which might give us the means of paying foreign debts, without deranging the monetary affairs as it does at present.

Effect of the Railways on the Currency.

207. *Mr. Cayley.*] Should you say that the railway calls had had a great effect in producing the pressure which there was in April and October?—I should say that they had had hardly any effect at all in producing the pressure in April; I should imagine that up to April, and up, perhaps, to the summer, they had increased the power of bankers in some respects rather than diminished it; for the expenditure had not been nearly so rapid as the calls; the consequence was, that most of the banks had rather a large amount of railway money in their hands in the beginning of the year. In the summer that melted gradually away, and on the 31st of December it was materially less. One cause, I have no doubt, of the pressure in October was, the gradual diminution of the railway money in the bankers' hands; between the 22nd of April and the 31st of December the railway balances in our hands were reduced one-third; and the railway calls have also had this effect, I have no doubt, very strongly throughout the Kingdom; they have been gradually draining the deposits of bankers, and the amounts of credit balances in the banks. In our own case I can state the proportions, if it is wished.

208. *Mr. Chancellor of the Exchequer.*] Will you be kind enough to do so?—Our lodgments for deposits,—I mean not money passing in and out of the account, but steadily remaining as deposits, upon which interest is paid, some being in small sums, and others in large ones,—diminished between the 22d of April and the 31st of December one-third, and that was taken out, as we believe, for investment in railway securities. Our credit balances, in the same time, diminished nearly one-half, but that has been affected rather by some peculiar circumstances. I know in the case of other banks in our own town there has been a very steady and large diminution of the sums in their hands as deposits.

209. *Mr. Thornely.*] Were those credit balances cash, or bills of exchange, or were they received in the ordinary way?—The credit balances were the result of the workings of the general account, which is a mixture of cash and bills, and there has been a steady diminution of these for about a couple of years; evidently persons taking them out of the Bank, thinking that they would get more interest by placing them out in railway debentures, where they could get five per cent. upon good security; the banking power of the country has been most essentially affected by that circumstance, and that must be added to the other causes of pressure; that is not to be attributed to the Bill of 1844; it is something extrinsic to the Bill of 1844, which has been operating. In the case of a country bank in one of the midland counties, the reduction is fully in the proportion of one-fourth; I have the figures, but I am not at liberty to give them; it was one-fourth of their whole credit balances.

210. *Sir William Clay.*] Within what period?—Within the year 1847; and it is a large bank.

211. It was a diminution of one-fourth of all their deposits taken in the aggregate?—Yes, on credit accounts.

212. *Mr. Cayley.*] Is that the average for the whole year?—At the end of December they had only three quarters of what they had on the 1st of January preceding.

213. *Sir William Clay.*] In the case of your own bank the diminution amounted to a third?—The diminution is one-third upon lodgments at interest, and one-half on credit balances also at interest.

218. *Mr. Cayley.*] Is it not usual in times of pressure for deposits and credit

balances to be diminished?—Very little so indeed; in our former pressures, in 1837 and 1839, I think we did not lose any of our deposits; but previously to this last pressure the drain of deposits had commenced.

219. To what extent?—It was going on slowly, but steadily; there was evidently a drain which had commenced a year and a half ago.

225. You say that in the case of one bank that you know in the midland counties, and in the case of your own bank in Liverpool, there has been a general tendency to diminish the deposits, and you attribute that to parties investing those deposits in railways?—Yes.

226. Can you at all describe the circuit that the money invested in railways takes?—I conceive that it goes through the hands of all the various persons who supply the tradesmen and others with food, and so on, and that at last a good deal of it is fixed in the railway.

227. Where does the money go to that is paid to the tradesmen?—I think it ultimately gets fixed in railways in this way. Contrast it with the way in which money is expended in ordinary operations of commerce and manufactures. In both cases it passes through the hands of all the various persons who supply the tradesman and labourer with necessities; but the ultimate result is, that in the one case you have a cargo of manufactured goods which you can exchange with foreign countries for sugar or cotton; in the other, you have a railway fixed in the ground, and the greater part of the money expended has become fixed instead of floating capital.

228. With reference to the circuit that you have described this money to take, going to the labourer and tradesman, and then to the general dealer, do you mean to say that after going to those persons it actually becomes sunk beneath the rails of the railway, and is so fixed?—I do not mean to say that; but I mean to say, that at the end of the process, in the one case, you have something that you can exchange with foreign parties, and in the other case you have something which you cannot exchange: I think it may be partly illustrated in this way,—supposing a farmer has been in the habit of employing £1,000 as capital in his farm, and he takes it into his head to build a barn, and to apply the £1,000 for that purpose, that £1,000 is no longer floating capital with which to carry on his farm; but it is fixed in the barn; but these are very abstruse points, and I do not profess myself to be capable of following them out in a public examination.

229. Would you not consider it a fairer description of the operation you describe, to say that the farmer had exchanged the £1,000 with the builder of the barn, who had left him the barn in exchange?—I may be wrong, but I do not think that is a fairer mode.

230. The railway calls have gone on almost unchecked since December?—Yes, they have.

231. How do you account for the present cheapness of money, if you attribute any degree of the previous dearness of money to railway calls?—I cannot account for it but by the almost perfect destruction of commerce, and the almost total want of means of employing money.

468. Sir W. Clay.] The Committee would be glad to have, as the result of your opinion, that which you have expressed incidentally upon the point, whether there has or has not been a considerable amount of over-trading, comprehending in that term the diversion of capital from the ordinary pursuits of trade, for the purpose of paying up the instalments on such undertakings as railways?—I think that the disclosures that have taken place on the failure of houses show, that there has been a large amount of commercial over-trading on the part of some individuals, in embarking in enterprises and incurring obligations to an extent which bore no proportion to the amount of their capital; I think also there has been a very general, almost universal over-trading in railway affairs, and that the abstraction of mercantile capital from mercantile houses

for railway enterprises has been very general; I think, also, there has been to a certain degree a too great extension of credit; but with regard to general commercial over-trading, looking to the amount of our imports, and as far as I am able to judge, looking to our exports in connexion with the state of foreign markets, I am not of opinion that there has been that great amount of commercial over-trading which has been assumed by many persons in the discussion of this subject.

474. *Mr. Hudson.*] You stated that you attributed the distress, in a slight degree, to railways?—Yes; I attribute a degree of pressure to railways, and perhaps not in a very slight degree, less than to the deficient harvest, but still in a large degree.

475. To the deficient harvest you attribute it, and to the railways?—Yes, I do.

476. Are you aware that there was no deficiency of manufactured goods, and that money could produce any quantity of manufactured goods that might be required for the wants of the country?—No, I am not aware of that.

477. Do you think that there has been any want of produce of any kind, for the requirements of the country, which railways have prevented the country from obtaining?—Our stocks of many articles of produce are very low.

478. Inconveniently low?—In some cases inconveniently low; in cotton, almost dangerously low.

479. Has that arisen from railways?—I do not know that it has.

480. The amount of stock has been sufficient to have depressed prices very materially within the last five months?—The operation upon the money-market to depress prices has been in an alarming degree; they are now reviving; the case with regard to cotton was this—the total amount we had on hand, in 1847, and all that was received in that year, were less than the consumption of 1846, which was a very alarming state of things.

481. That has not arisen from railway investments?—No; I cannot attribute that to railways.

482. Large sums were invested upon the security of cotton, which kept up the price?—The price went down very fearfully.

483. Will you explain to the Committee what you mean by trade being starved, if you admit that produce of all kinds was abundant, and that there was no deficiency of manufactured goods?—The answer I gave to that question was with reference to our own customers, showing that they had abstracted part of their own mercantile capital to be invested in railways; they were not so well off with reference to their capitals, because they had invested part in railways.

484. Supposing they had invested that in the funds, what would have been the effect?—It would have been the same with regard to the point to which I referred.

485. You stated that your credit balances and your deposits were constantly diminishing from January to December?—From April to December.

486. Are you not aware that when the public funds are considerably reduced in price, a large number of those depositors frequently avail themselves of the opportunity of making investments in the funds?—No doubt they do.

487. And that practice I believe is carried on to a very large extent in times when the funds are depressed, as they have been lately?—I think it is.

488. That would account for some part of the diminution of the deposits?—It would account for some part; but as far as we were able to trace them, they did not seem to be so invested. I think the inducement presented by railway debentures, when they were good railways, was far more attractive than any inducement held out by the banks.

489. But as a banker, you are aware that it is invariably the case that a banker looks very much to his deposits immediately he sees the public securities going down materially, and that he anticipates that a large or a small

sum will be withdrawn for investment in the public funds?—In the community in which we are placed, there is very little of that.

490. That would account for some part of the diminution in the deposits?—It might account for some part.

491. In the early part of last year, you had a large sum of money belonging to railways which was gradually withdrawn?—Yes.

492. That would account for a considerable part of the balances being reduced?—It would account for part, but I have the particulars here; one-third of the railway money in our hands was withdrawn.

493. That included the sum which you held for various railways?—Yes, and it is one-third less in December 1847 than it was in April.

494. Would you not also account for your deposits and your credit balances being lowered in some measure by the failure of three banks in Liverpool, and the general failure of credit which you state to have occurred?—I think the deposits would be reduced from that cause; we lost in two days a considerable amount of deposits; some part came back; but that would no doubt partly account for the reduction.

495. I believe the railway calls have still gone on?—I believe they have.

496. Do you know the price of money in Lombard-street to-day?—No.

497. The railway calls have gone on with pretty nearly the same briskness?—Yes; they have gone on largely.

498. Have they been paid up well?—I believe they have been paid remarkably well.

499. Though your deposits have been diminished from the causes which you have stated, if you will refer to the returns of the Bank of England, you will find that their deposits had not diminished; on the 17th of October, 1846, their deposits were £14,400,000, and on the 16th of October, 1847, they were £14,171,000; if that be so, does that affect your theory, that the railway companies have absorbed the capital of the country, and that it has become what you call fixed capital?—I think this fact is not inconsistent with that supposition.

500. If your deposits have decreased, why have not the deposits of the Bank of England decreased from the same cause?—I cannot tell; it does not shake my confidence in the opinion I have expressed, but I cannot tell how it is.

501. You gave the case of a bank in Leicestershire, in which you said the deposits had materially decreased; can you give any other cause in explanation of that, except that they have, as you say, gone in railway calls?—They decreased one-fourth, one-half of which was railway money.

Effect of the Government Letter of October, 1847.

413. Mr. Hume.] You stated that if the letter issued by the Government on the 28th of October last had not been issued, the Bank of England would have been obliged to stop; what ground have you for that opinion?—The ground which I have just now mentioned, that, in the first place, supposing the London bankers had demanded their deposits, or if any disaster had taken place in any part of the country, I think there would have been a run upon the Bank for gold; I think also the necessity for the banks protecting themselves against their reserve becoming absolutely useless, and therefore, for converting that reserve into gold, would have caused a run upon the Bank for gold.

414. Are you aware that on the day, or in the week in which that letter was written, the amount of deposits in the Bank of England was £14,000,000, and that the amount of notes and bullion in the Bank of England, and in all their several branches, did not exceed £1,500,000?—I believe so. The return states that it did not exceed £1,500,000. I have stated my reason for thinking that the Bank would have stopped if that letter had not been written. With the very small amount of notes which they had, if there had been any con-

siderable amount of deposits of the London bankers demanded, that might easily, with other things, have exhausted the amount of notes, and the slightest difficulty then would have inevitably caused a run for gold, and when that run once began, it could scarcely have been stopped. I should think that the reserve could hardly be less than seven or eight millions in the hands of country banks, from what I gather from my communications. I know that one country bank that usually has not above £3,000 or £4,000 in notes, on this occasion it had £37,000 in notes, and £13,000 in bullion. Country bankers are estimated to have a reserve of £3,000,000 in ordinary times. Now, I think that a double reserve is the very least we can suppose they had in October, which would be £6,000,000; and when we consider that, in addition to that, there are all the notes held by the public, I feel as confident as I can be of any fact that has not actually taken place, that the Bank of England would have stopped payment both in its banking department and issue department.

415. Are you aware that it has been reported that the Bank did not act upon the permission given them by the Government, and, if so, how could that affect the difficulty?—Simply because the whole mischief was the want of confidence; and confidence was at once restored by the letter of the Government.

416. With so small an amount of balance in their hands, supposing the whole to have been in London, and with the large amount of deposits of London and country banks, you consider that in that state of alarm a single obstacle being thrown in the way, would have given a key, as it were, to every bank in the country to have demanded gold?—I think it would.

417. You do not consider that that is a state of things such as the credit and industry, and all the property of this country should be placed in?—I do not.

418. Are you aware that the Act of 1844 (Sir Robert Peel's Act), was held out as a means of preventing the possibility of bank notes at any time being unchangeable on demand?—I am.

419. You have stated that you do not think it has answered its purpose; how do you explain the opinion you have given that it has not answered its purpose; have you known any notes actually refused payment?—No; I have never known of notes being presented anywhere for which gold was not to be had; but I believe they would have been equally convertible, as far as that went, if the Bill of 1844 had not existed; and I believe that in neither one case nor the other, if this pressure and alarm had come on, would they have continued convertible. The Bank has not done more than was done before the Act of 1844; notes never have been rendered inconvertible since 1819; therefore it is not fair to suppose, because they continued convertible, that the Act had rendered them so.

420. *Mr. Chancellor of the Exchequer.*] Do you not conceive that the Bank of England was in a much safer position as regards the convertibility of its notes with £8,000,000 in its coffers in 1847, than with two millions and a half in 1839?—I think it was in a safer position with the £8,000,000, but I do not think that its safer position was at all in the proportion that the amount of bullion in 1847 bears to the amount of bullion in 1839, and upon that point I should be anxious to be explicit.

421. Did you ever know a doubt expressed of the convertibility of bank notes in the autumn of 1847?—Never.

422. Do you think that practically there was any great probability of the £8,000,000 being drained out of the Bank?—I think there was a great probability of it.

423. How would that have been effected?—I think if the suspension of the Act of 1844 had not taken place, it is very probable that some of the deposits (and we do not know to what extent they are) of the London bankers would have been drawn out; that would have occasioned great alarm, and if the Act had not been suspended, the probability is that we should have had the same thing done by country banks, and large commercial houses; that would have

been another source of alarm. As soon as it was found that bankers and other houses were drawing out their deposits, and that the Bank of England was not in a position to afford any assistance whatever, great alarm would have been created throughout the country. We do not know what the amount of reserves of country banks is, but I should think probable at that time, judging from the circumstances which I mentioned the other day, their reserve would not be less than £7,000,000 or £8,000,000; and I think if it had been seen that the Bank was compelled to refuse accommodation, as we know it would have been compelled to do from the statements we have seen, supposing the Act had not been suspended, an amount of alarm would have arisen, partly in London and partly in the country, which would in all probability have led to a state of things which would have withdrawn all the gold from the Bank of England. With regard to London, I found my opinion on the information I then obtained, and I was in very close intercourse with some of the most eminent mercantile men, engaged in all descriptions of business; and on what I know of their honest convictions, and as far as one can know the honest convictions of others, I feel sure that such was their conviction; I cannot mention the names, but they are names which have been long before the country, as of gentlemen well known, both commercially and otherwise. With regard to the country, I know something of the feelings of the parties there, and as I mentioned in my former evidence, supposing we had seen a state of things of this kind arising, our Bank might have gone with a couple of hundred thousand pounds worth of notes, or at least we might have gone to the branch bank of Liverpool with such part of the notes as were issued by that branch, and have come to London with the other notes, and have taken payment in gold; other Liverpool banks and commercial houses might have done the same; this would have spread rapidly by means of the electric telegraph, and I think in a short time there would have been a run for gold, not only in Liverpool, but in various parts of the country; and my own firm belief is, that if the Act had not been suspended, the whole of the bullion would have been drawn out of the Bank. That is a matter of opinion, and must remain so; but if it had taken place, the convertibility of the note would not have been secured: it was secured up to that time; but supposing the drain had taken place, which it is my opinion would have taken place, the convertibility would not have been secured.

424. The operation which you describe would have been paying into the Bank eight millions of notes?—It would.

425. Do you think, practically, the country would have borne that reduction of the note circulation?—Yes, you would have got gold out instead; and under the circumstances supposed you would have had a complete prostration of everything; all commerce would have been at a stand, and there would have been comparatively nothing to require circulation for two or three days. With reference to the note circulation having been diminished, I cannot see what inconvenience would arise from that; it would be simply a transfer of gold out of the Bank for notes; and the currency, therefore, would be just the same as it was before; besides, I should observe, that an action of that sort would not have gone very far before there would have been a great alarm with regard to the deposits. It is impossible that such a state of things, as I believe would have taken place if the Government had not interfered, could exist without a very large action upon the deposits.

610. Lord George Bentinck.] Are you aware that on the 23d of October the London bankers held deposits in the hands of the Bank of England to the amount of £1,988,000?—Yes.

611. Are you aware that at the same time the notes in reserve amounted to £1,176,740, and that the bullion in the banking department was £429,384?—The amount of bullion I do not know.

612. Supposing that to be so, it made altogether £1,606,124?—Yes.

613. If, then, the London bankers had required to draw out their deposits, the Bank of England must have stopped payment on the 23rd of October?—I think so.

614. They were only in a condition, under the Act of Parliament, to pay 16s. in the pound?—Unless bills in their possession were falling due that day so rapidly as to bring fresh notes into their till.

615. But at the moment that return was given, if I understand rightly, the Bank of England was only in a condition to have paid the London bankers 16s. in the pound if the London bankers had called for their deposits?—Just so; but my difficulty in answering the question arises from this circumstance, that if there was time for the bankers to come to demand their deposits, there was also time for some of the bills to run off, which would bring fresh notes into the Bank; there was also time for some of the securities to be realized, if it were possible to realize them under such circumstances.

616. Mr. Alderman Thompson.] What do you mean by securities being realized; do you mean by the sale of Government Stock which the Bank held?—Yes.

617. Do you know the amount which the Bank held on the 23rd of October?—The amount of public securities was £10,613,607.

618. The amount of Bank deposits you have stated was £1,980,000?—Yes.

619. Then do you see any reason to apprehend anything like insolvency on the part of the Bank; and is it not a mistake to talk about their being able to pay only 16s. in the pound?—I think there was the greatest danger of things being brought into such a state that they could not realize the securities, and the greatest danger, therefore, of their stopping payment.

620. But if there was any market for Government securities they would have the means of getting in their notes to pay the deposits?—I think we were upon the point of a crisis in which there would not have been any demand for public securities, and that that constituted the danger.

624. In your opinion, would it not have been at once mischievous and disastrous, and a monstrous defect in the Bank Charter Act, if the Bank of England had stopped payment on the 23rd of October with £8,816,000 of bullion in their coffers?—I should think it would.

HOUSE OF COMMONS, February 5th, 1848.

Charles Turner, Esq., Examined.

643. Chairman.] You are a merchant at Liverpool?—I am.

644. What line of trade are you in?—The East India trade.

645. How long have you been in mercantile pursuits at Liverpool?—Since 1829; 19 years.

646. Have you been the whole of that time in the East India trade?—First I was in the American trade, and afterwards I was in both the East India and American trades till 1840, and since 1840, solely in the East India trade.

647. You attend here in consequence of a communication which was made to you, and with a view of laying before the Committee information respecting the state of trade at Liverpool?—I do.

Causes of the Distress in 1847.

648. Will you have the goodness to state what you consider were the causes that produced the commercial difficulties at Liverpool, so far as they came under your observation?—The fundamental cause I believe to be the famine, which occasioned the necessity for a large import of food to supply the consumption of the country, the consumption being increased at that period by the very large railway expenditure, which gave more money to a great number of people who are notoriously prodigal in their expenditure. I believe also that the im-

ports of food were increased by the Government loan, and by different subscriptions of private individuals, which were expended in the purchase of food, which from the circumstance of the famine could only be supplied from abroad. These combined circumstances caused the imports of the country to be very largely in excess over anything that the commercial exports could pay for; and the balance, I believe, was partly paid for by the export of foreign stocks, and other matters of that kind, and by so reducing the indebtedness of foreign countries to ourselves; but still there remained a very large balance to be paid for, which could only be done in specie. The demand for that specie caused a considerable drain upon the banks, and an increased application to the discount brokers and other parties for the discount of bills; they, finding this demand come upon them, began to scrutinize the bills offered to them for discount, in a way which they had certainly not done, to my knowledge, since 1837 or 1839, and the facilities of houses then began to be very seriously curtailed, and the weak houses began to fail. Those houses which had entered into engagements without taking into account the proportion of available means that they had to meet them, and which relied upon their credit in order to meet their engagements, rather than their available means, of course went down. This increased the alarm that had been previously felt; and the bankers and others finding that they could not rely with the same degree of confidence that they had previously done upon turning their bills and other money securities into bank notes, for the purpose of meeting their engagements, still further curtailed their facilities, and in many cases refused them altogether; they locked up their bank notes, in many instances, to meet their own engagements; they were afraid of parting with them. Merchants were obliged to look forward to meet their engagements in a way that they had never hitherto done, inasmuch as they could not depend upon being able to raise bank notes, and they were afraid, when once they got the bank notes, to part with them. The alarm and confusion of course were increased daily; and unless Lord John Russell and the Chancellor of the Exchequer had issued the letter to the Bank, which they ultimately issued, I believe that universal bankruptcy would have been the issue. I believe that letter was a very wise one. I think particularly that the rate of discount which they charged, eight per cent., was a very prudent measure, inasmuch as it prevented its being taken advantage of to get money for purposes which it was not intended to facilitate.

Conduct of the Bank.

664. *Chairman.*] Have you formed any opinion as to the conduct of the Bank during the recent commercial difficulties?—Yes; I think that if the Bank had begun to raise the rate of interest gradually from the beginning of 1847, and continued the strain constantly from that period up to October, the probability is that things would not have been so bad. The great matter in these cases is not the rate of interest charged by the Bank, but it is that commercial men and bankers, banks and other parties, should feel that at some rate or another, according to the fair rate of money at the time, they can turn their securities into bank notes. That is the great matter; and what tended more than anything else to produce the panic was the fear, on the part of many bankers, to my knowledge, that upon no terms whatever could they get bank notes to meet their own engagements, though they might have commercial bills or valid securities by them upon which in all ordinary times they had the power of raising money directly; they were afraid that there was no security whatever that they could turn those into bank notes, and they were obliged in consequence to refuse accommodation to their customers from the fear that they might want it themselves, and they dared not part with their bank notes. It was not a question of rate of interest; if they had thought that they could get bank notes at 15 or 20 per cent., they would have accommodated them

customers, because whatever they paid they could get from their customers, but it was the fear of not being able to get them at all.

665. As to the conduct of the Bank, you think that if they had raised their interest earlier, it would have had a good effect?—I think it would have stopped the drain of specie to a great extent, and things would never have come to the pass, that the banks would have been obliged to refuse in Liverpool, as in Liverpool they refused almost altogether for a long time to do anything; I think they would have retained the power of helping the commercial community all through the crisis, instead of being thrown upon their backs.

666. *Mr. Cayley.*] What do you mean by the banks refusing to do anything?—The banks at Liverpool refused altogether to discount; they threw no discredit upon the bills, but they refused to do almost anything.

667. *Chairman.*] Were there any instances in which the Branch Bank at Liverpool refused to discount?—Yes, it was notorious.

668. Can you mention any instances?—They refused myself; they refused in a variety of cases; Mr. Langton and Mr. Hodgson went to them, and asked them if they would discount for them, and they said they could not; that they might come up to London, but that they could not do it under their instructions. I believe that the Bank here state that they have always done it, but certainly they did not do it in Liverpool.

669. Can you state the time of these transactions?—Only from recollection; but I suppose it must have been in September or October; they refused me personally for my house's bills, which I offered to endorse; Mr. Fletcher said he could not do it, he could do nothing.

676. Do you consider the constitution of the Bank, as at present formed, satisfactory?—Not altogether; in my opinion, there must be a large commercial interest in the Bank direction, a very large number of merchants: but I cannot help thinking (without the slightest imputation upon the Bank directors), looking at the disasters which have taken place, and the way in which the Bank direction has been mixed up in the disasters, that there must have been many members of the Bank direction to whom it was of importance that the Bank rate of interest should be kept down, when, for the sake of the public, it ought to have been increased. I think it would be desirable that there should be some government officer, either a paid governor or a paid deputy governor, who should have some controlling power as to the rate of discount upon commercial bills; that it should not be left entirely to gentlemen engrossed in commercial pursuits, and who may have a strong interest in keeping down the rate of discount, when, as regards the public, it may be desirable that it should be raised. That is the only suggestion which I can offer respecting the Bank.

Examples of Overtrading.

677. *Chairman.*] You said that there had been over-trading; will you explain more particularly what you meant?—As regards the over-trading, there has no doubt been a vast deal of over-trading; a matter which has tended still further to embarrass matters. Of course we are all aware of the events which have taken place as regards the Mauritius trade, and other trades of that kind. The brokers have been in the habit, we all know now pretty well, not only of advancing upon goods after their arrival to meet the bills drawn against those goods, which is perfectly legitimate, and upon the bills of lading, which to a certain extent might also be done; but beyond that, they have done what is perfectly illegitimate; they have advanced upon the produce before it was shipped, and in some cases before it was manufactured. Now, to speak of my own individual instance; I had bought bills in Calcutta to the extent of six or seven thousand pounds in one particular instance: the proceeds of

the bills went down to the Mauritius, to help in the growth of sugar; those bills came to England, and above half of them were protested; for when the shipments of sugar came forward, instead of being held to pay those bills, it had been mortgaged to third parties to pay previous engagements before it was shipped, in fact almost before it was boiled. Now, nothing can be more unsound and worse than that state of things that has gone on to a considerable extent.

786. Mr. Disraeli.] Did not the glut last in the Indian markets to 1841 and 1843, so that prices were not remunerative in 1842?—I do not recollect as to that; the general course of the trade has been a tolerable good one up to last year; but to show the way in which the matter has been carried on of late years, I will just mention one fact; there is one house which failed in London the other day, and in examining their affairs, a transaction of this sort was proved to have taken place; there is a house of business at Manchester, as another at Calcutta; they opened a credit account with a house in London to the extent of £200,000; that is to say, the friends of this house in Manchester who consigned goods to the East India house from Glasgow and from Manchester had the power of drawing upon the house in London to the extent of £200,000 at the same time, there was an understanding that the corresponding house at Calcutta were to draw upon the London house to the extent of £200,000 with the proceeds of those bills sold in Calcutta, they were to buy other bills and remit them to the house in London, to take up the first bills drawn from Glasgow. The whole of this was not carried out, but that was the arrangement; so that if the arrangement had been fully carried out, there would have been £600,000 of bills created upon that transaction. That I call over-trading.

787. Is this one of the houses that has stopped?—The house in London gave the credit has stopped; the house in Manchester and that in Calcutta have not stopped.

788. Have you any objection to state the name of the house?—I would rather not; it was told me by the assignee of the estate, who said that the transaction came out in the letters which he had read.

Effect of hypothecating Produce to the East India Company.—Regulation of the Exchanges with India.

965. Mr. Wilson.] Can you give the Committee information with reference to one point connected with the trade of India, upon which there is a good deal of difference of opinion; I am aware that it is common to purchase goods and to obtain advances from the East India Company and from private houses, by hypothecating against the goods the bill of lading of those goods; that is to say, that parties purchasing goods in India, ship the goods to this country, and obtain advances from the East India Company, by hypothecating the bills of lading to those goods; but is there much of the produce of India purchased on the credit of houses in India, without hypothecating the bills of lading?—A good deal of business has been so done; the practice of hypothecating bills of lading to the East India Company is very pernicious to the trade. In the usual course the produce ought to come as a return for manufactured goods sent out in which case there is no occasion for bills at all; if a man's credit is not good enough to enable him to sell his bill in the open market with the produce attached to it, he should not go to the East India Company and hypothecate the bill; it gives rise to a great deal of speculation.

966. You mean the East India Company should not receive him?—No; a man with £1,000 can go and buy a very large quantity of produce, to the extent of £5,000 or £6,000; he hypothecates to the East India Company, and then speculates to the extent of £2,000 or £3,000 more, and the effect of that is, that goods come to a bad market in England, instead of coming to a good

market. We have represented the evil of it to the East India Company; but they wanting to remit their money safely to London, say that they find that course beneficial to them, and therefore they pursue it, but it is exceedingly injurious to the trade.

967. Are you of opinion that a very large portion, or any portion, of the East India produce has been purchased with a view to meet the running obligations of the houses, rather than with a view to a legitimate profit upon the transactions?—I do not think that it has been purchased to meet the running obligations of the houses, but it enables parties to speculate to an extent that they would not otherwise do.

968. Supposing a house in Calcutta has drawn upon houses in London for large sums, and is under obligation to furnish means for the payment of those drafts which they have made upon London, do not they purchase produce in India, and by that means obtain bills which they remit to their house in London for the purpose of paying prior bills?—No, that would not give the facility you refer to; if a man purchases produce, and hypothecates to the East India Company, he sells his bill to the East India Company.

969. I am putting the case of a house in Calcutta purchasing produce upon their own credit, and drawing their own bills upon London in payment of the produce shipped, and sending that produce, with the bill of lading, to a house here, and that house carrying that bill of lading into Lombard-street for the purpose of obtaining advances?—You are speaking of a case where the produce has not been hypothecated; that may be done; I cannot say to what extent it is done, but that is open to all trades.

970. Supposing bills upon London were drawn for four months, instead of ten months, would not the inducement almost entirely cease to enter into such transactions?—No doubt the inducement would be very small in that case.

971. At present, if a house in Calcutta purchase a cargo, and give their own bills upon their correspondent in London in payment, and they send the bills of lading home to this country, those bills of lading arrive here within six weeks, but their own bills are drawn upon their correspondents for ten months; those bills of lading which are sent home immediately become available to them in Lombard-street for advances, and they have eight months' use of the money before their correspondents are called upon to pay?—That is so, and a most pernicious principle it is.

972. You attribute a very large portion of the difficulties of the East India trade to that class of transactions?—Yes;—it would have been impossible for them to carry on business to the extent they have done without that class of transactions.

The Cotton Trade.—Circulation of Bills of Exchange.

997. Mr. Cayley.] Do bills of exchange form the principal medium of circulation in Lancashire?—Cotton has to be paid for in cash in ten days, allowing the rate of interest, whatever it may be, for the credit. When the rate of interest is above five per cent., the parties send banker's bills, Jones Loyd and Co.'s, or whatever they may be; but whenever the rate of interest is under five per cent., they discount those bills at Manchester, or wherever it may be, and they bring the cash to Liverpool.

998. Then, whenever the rate of interest is high, bills of exchange are substituted for bank notes?—Yes.

999. And to all intents and purposes they form as much a part of the circulation as Bank of England notes did before?—A part of the circulation for certain purposes, but not for others; you cannot oblige men to take bills instead of bank notes.

HOUSE OF COMMONS, 18th February, 1848.

Thomas Clutton Salt, Esq., Examined.

1041. *Chairman.*] You live at Birmingham?—Yes.

1042. In what line of business are you?—A lamp manufacturer, and general brass founder.

1043. How long have you been engaged in business at Birmingham?—Upwards of thirty years.

Depressed State of Trade.

1044. Will you have the goodness to state to the Committee what you consider the present state of the trade of Birmingham to be?—I never knew the trade of Birmingham in so depressed a condition as it is now; all trades are bad at Birmingham, the East India trade, West India trade, the Canada trade, and the Home trade; with one exception, and that is in the agricultural districts, there is still some business; it is the only exception to the universal depression, and I might say the almost cessation of business.

1048. Do you consider that this is a severer crisis in Birmingham than that in 1825 was?—I consider the general depression now to be greater than it was in 1825; it is more general than it was in 1825: as regards the Canada trade, I would give the Committee an example; I know one article which is largely exported to Canada, it is iron chain, for traces and other matters; I know the individuals who chiefly make it, and one of the principal of them told me that his orders from Canada on the average from one house were £2,000 for a season, and that the amount of his orders this season had been only £40; the Canada trade generally employs me from January to March pretty fully, but I have not this year had one solitary order from Canada; and I would mention, in illustration of the general depression of trade, another fact. I had an opportunity of meeting some metal dealers, and dealers in copper and zinc, and I asked them, as they were altogether, what the falling off in the demand for metal was, and they stated it to be, taking one with another on the average, a falling off of two-thirds; and I asked them if they had ever known the like before, and they said, that on no occasion in their memory had they ever known such a falling off before; but I wish the account of the falling off of trade to be qualified by the exception I made before of the business in the agricultural districts.

1049. In your own line of business, has it made any great difference in the employment of the persons whom you employ in your business?—The amount of wages I pay is diminished more than two-thirds; and I believe that that diminution is about the average of the diminution in Birmingham.

1052. What is the state of the labouring population of Birmingham at the present time?—There are a vast number entirely out of employment, and they press upon the workhouse; but up to the present time the workhouse is far from being a fair criterion of the condition of the workmen; workmen who have been used to earn from 20s. to 30s. a week, never go to the workhouse till they are in an absolute condition of starvation. Prior to going to the workhouse, they sell or pledge at the pawn-shop everything they have; and they have another resource after that, which they are now, to my certain knowledge, availing themselves of. After they have pledged their goods, they sell the pledge tickets where they can sell them, and they are now come very much to that second resource; the condition of the working classes in Birmingham is absolutely unbearable.

Causes of the late Crisis.

1053. *Chairman.*] What do you consider to be the causes of the commercial distress?—I myself attribute the distress wholly and entirely to the Bills of

1819 and 1844; I would qualify that by saying, that from the time of the passing of those Bills, there have been accidental circumstances giving peculiar features to the distress, and it has generally been the custom to say that those circumstances were the cause of the distress. I will mention a few: originally it was the passage from peace to war; over-production, over-trading, over-population, and a thousand other things; now I would for a moment say, that if the Bill were such that it gave way upon every one of those accidents, which it has done, whether it was over-trading, or speculation, or whatever it was, it induces me to think that in every case, however those accidents may have had an influence, the great fault is in the Bill. I would wish to say another thing, and that is, that the parties who have pressed forward that Bill have always done so with extreme terror, slowly and gradually, as if they had an instinctive knowledge that they were doing mischief; and I would mention another peculiar thing, that whenever the mischief has occurred, those very parties have never had an idea of remedy in their minds, or at least never exhibited any idea except that of relaxing or doing away with the Bill; therefore we have the fact that the Bill has given way on every occasion, and on every occasion has added to the partial and accidental distress, the universal distress of a general monetary derangement; and we never had any remedy whatever proposed, hinted at, or carried into effect by the advocates for the Bill, except the relaxation or doing away with that Bill; and therefore I think that I have a right to conclude, and I have concluded, that it is to that Bill we must attribute the distress.

1054. Do you consider that there was any over-speculation which either partly or wholly caused this distress?—I am decidedly of opinion that there has been no over-speculation in any article whatever; not only has there been no over-speculation in the import of corn, but there has been no over-speculation whatever in railways. In my opinion the importation of food was not more than the national safety required; and as regards the speculation in railways, or in any other matter, it never went to a greater extent than to employ the workmen in national enterprises of great value. We must have so employed our workmen, or they must have been driven to the workhouse. Now the workmen, instead of being driven to the workhouse, and living on the nation, have been employed in most valuable and useful speculations. I, therefore, am decidedly of opinion that there has been no over-speculation in any matter. I wish to distinguish between railway enterprises and shares, in which there has been a good deal of gambling, but which has nothing whatever to do with trade.

Objections to a Gold Standard.

1058. *Chairman.*] What are the objections which you have to the Bills of 1819 and 1844?—The first objection I have to the Bill of 1819 is, that it purports, under the present condition of commercial civilization and expansion, to return to the standard of Queen Elizabeth,—a standard considered so imperfect in her day, that she altered it three times during her reign; and in the next place, it does not even return to the standard of Queen Elizabeth, but it has established, in the present condition of the country, a standard infinitely worse, inasmuch as it has none of those guards which it had in the days of Queen Elizabeth. In the first place, in the days of Queen Elizabeth there was a large influx of gold from South America; there is no corresponding influx of gold now: in her days there was no large expansion of trade or of population; there is now an enormous expansion of trade and of population: in her days it was forbidden, by penal laws, to export or melt the gold; now there is free permission either to export or melt the gold, which is the basis of the currency: in her days there was not so large a super-structure, but there was a free use of credit; but in the present day a regular war has been made by the Government on credit; they have made war on all customary modes and facilities of exchange

for cancelling debts; they have made war on other circulations, but they have given no substitute for that circulation. There are many other matters which I might mention as regards the time of Queen Elizabeth. There is another objection that we have to the Bill; the price of gold was fixed first, and then many strange clauses and laws were superadded, which made gold much more necessary, and lifted up the value of gold largely after the price was fixed; there is another objection that I have to the Bill.

1059. To which Bill?—To both the Bill of 1819 and the Bill of 1844. I identify them. It allows no extension of money facilities, inasmuch as it strikes with disability English property for which you cannot obtain gold, or obtain monetary assistance or cancel monetary obligations. If English land, uncumbered, be tendered to the Bank of England, no advance can be made upon it, and no advance can be made upon goods of any kind; and advances made upon English bills, which are the representation of English property, in times of any pressure, are absolutely refused, and therefore there is a value given to gold by giving a monopoly to it, and affixing a disability upon English property, or the representative of English property, to obtain money facilities. There is another objection that I have to the Bill, which is, that it places the whole of the enormous paper superstructure which we have in England on the narrowest and most shifting basis; and another important objection I have to the Bill is, that so fixing the price of gold destroys all early warning of the depreciation of money until the gold has disappeared, and the whole of the paper superstructure crumbles and collapses. I would explain that: if the price of gold had been left perfectly free, and you had merely used gold as a standard,—I will call the standard £4 an ounce, in round numbers,—then, if the gold rose to £4 1s. an ounce, instant notice would be given that the paper was depreciated; whereas now, with a fixed price, you have no notice whatever except in the rise of the prices of goods; and all men are in the habit of considering a gentle rise in the price of goods to be a mark of prosperity, and there is a belief in that prosperity till the gold disappears; and the Bill enacts that in proportion as the gold disappears the paper shall disappear also. Men have been induced by the higher price of goods to embark in business and to hold goods, or to purchase goods; the gold disappears, and in a moment they are obliged in their necessities to sell the goods, at the time there is no money in the market to purchase them. I have another objection to the Bill, which is, that it is a false Bill. It promises a gold basis, and it does not give a gold basis, but it gives a basis of fourteen millions of inconvertible paper. It then gives us gold built upon that, and then it gives us another paper system upon the top of that. Now that fourteen millions of basis acts perpetually in this way; it depreciates the value of money, by making it more abundant than it would be with the gold currency; it puts, therefore, the gold and paper money in perpetual conflict. I have another objection to the Bill; the Bill attempts to make metallic money and paper money circulate together. Now, it has been often affirmed, and facts have proved it, that paper money and metallic money cannot circulate together; it is contrary to the laws of nature that they should circulate together for any length of time without producing a convulsion, without separating. I will explain to the Committee the exact process by which that happens. The gold coin has two distinct, and, if I might so term them, antagonistic qualities. It has one quality of coin or money, which merely cancels debts, and it has another quality of merchandize, which consists in the metal of which it is made. Now, whenever you add paper money to the gold money, you make money more abundant—you lower the value of the money, you depreciate the money; but the very fact of your depreciating the money raises the value of all goods, and it raises the value of all merchandize, and also raises the value of that part of the coin which is merchandize or gold; and, invariably, the gold is melted and becomes merchandize, because it pays

better as merchandize than as coin; that is the reason why coin always disappears from under paper, and of the fact that paper money and gold money never have circulated together in any country, advanced in commercial civilization, for any length of time; and it is also a fact that the convulsions are great in proportion to the advancement of those countries in commercial civilization. We see, therefore, that the two countries which are most advanced in commercial civilization, namely, England and America, are subject to those frightful panics. We see France, with her commercial civilization, crippled from her adherence to metallic money alone. We see her now adopting paper money in part, and fast following in the wake of England and America in her commercial convulsions; we see it, in fact, all over the world. There are only three alternatives; the one, having a mixed money with all these destructive convulsions; another, having a metallic money and commercial civilization crippled; and the third, having a paper money and being commercial giants.

1060. Will you proceed with the defects of this Bill?—There is another element which makes the present system infinitely more dangerous now than it has been at any former period; the vast accumulations in various countries of money stocks, such as shares and public securities, together with the facilities of communication by means of share lists and so forth, so that any accidental speculation or variation in these values would instantly turn the exchange; that is an additional objection to the Bill, under the present state of things: those are my chief objections to the Bill as it now stands.

1061. What would you propose for the purpose of placing the monetary system in such a position as would satisfy you?—The first thing would be to have a standard which should not at the same time be a coin; it then affords a point of comparison; whereas now you have no point of comparison as to the drifting away of your money from its real value; at present, gold is at the same time your standard and your coin. I show you that your money is constantly fluctuating, that you have never kept up to one standard; that paper money has always alloyed it down, till at last the gold was melted and taken into merchandize: if you choose to take gold as a standard, you must cease to have it as a coin: supposing, then, gold to be the standard, and that standard to be £4 to the ounce, if at any time a £4 note would not purchase an ounce of gold, but it required £4 and 6d. to purchase an ounce of gold, you would have an instant warning at the commencement of the depreciation of money, and you would have a constant money, a constant standard.

1062. How do you propose to form your standard?—I should say that gold was a bad standard, as it is so liable to be removed from one country to another, and so liable to speculative influence; any two or three individuals might combine to cause a very great variation in the price of so narrow a basis.

1063. What would you take as a standard?—That is a mere detail, which would require consideration; but I should think it would be preferable to take the average price of two or three, or more articles, not influenced by the accident of harvest; the broader the basis the better; if you took metals generally, and took their average price, you would have a certain standard, and if that price rose, it would be an instant warning that your paper was depreciating, and that you were doing wrong to the creditor; if those prices fell generally, it would be an instant warning that our money was rising in value, and that you were doing an injury to the debtor and the producer, I should say that we have, under the present system, drifted so far away from what is right, that it would be necessary, in the first instance, to ascertain what the rate of the standard should be; I should propose, therefore, to give, preliminarily, a Bank Restriction Act; it would then be necessary to issue money until you had raised goods to a remunerative level, at which they do not now stand.

1064. What would be the first act that you would do?—I would pass a temporary Bank Restriction Act.

1065. When you say "temporary," up to what time would it last?—Until you had restored prices, and in restoring prices had restored the prosperity of the country; and you would then ascertain at what point you had a demand for the labour of every able-bodied man in England; such has been the case; there has been full demand for labour in this country whenever that Bill has been relaxed, and such would be the case again; and when you had ascertained the range of price that would be so remunerative as to call into full operation the labour of every able-bodied man in England, that would be the right standard; it would be a prosperity standard, and not, as the present is, a standard of misery and enormous distress and ruin.

1066. Am I right in understanding that you would increase your issues till you got to that state of prosperity?—Yes; and then I would take the level of the prices, which were prosperity prices, and I would keep the standard at that range of prices, and in that case you could never have any distress in England.

Foreign Competition with English Manufacture.

1091. Mr. Spooner.] Do you find foreign competition very much affect the trade of Birmingham?—Foreign competition has gone to such an extent, as to destroy the profits on all trades in Birmingham; profits generally are so small, that whenever there is any check, they fall immediately below the general charges; but the degradation of profits in Birmingham from foreign competition has been continuous; for foreign markets have been depressed by every effort that we have made to draw the foreign money into England.

1092. Do you of your own knowledge know, as a brassfounder, that foreign manufacturers find a sale for their goods, even in Birmingham, at a lower price than the manufacturers there can afford to sell their manufactures at?—I do; I have had an account with a German house in Birmingham; the average of their orders has been £300 a month, and for the last three months of the season, their orders were not above £25, and the orders since then have not come, in the quarter, to £10; the Germans are everywhere driving us out, and not only that, but, absolutely, from Germany and France (acting on the one sided principle of free trade, which enables France to put its hands into our pockets, without giving us an opportunity of putting our hands into hers) brass goods are being largely brought to Birmingham, and they are not only sold by shop-keepers in Birmingham, but they are carried by factors on their journeys through the country; and I may say the same of buttons, and many other articles.

1170. Sir Robert Peel.] Here is an account of the principal articles of foreign merchandise imported into this country, in the year ending, 5th January, 1848, and I do not find any articles of brass manufacture there; do you think that there are considerable quantities of brass manufactures imported from abroad?—I cannot state the quantity; but I know this fact, that French and German foundry of all kinds, and particularly curtain bands, are imported into Birmingham, and bought under the eye of the manufacturers by the retail shops in Birmingham, and sold in public because they are cheaper than ours; and I know that the factors of Birmingham also carry with them French foundry; I would mention a name, one manufacturer of the name of Whitfield went over recently to Paris; he is a brass founder, and he found that he could do better by buying the articles there, and importing them, than by manufacturing them in Birmingham.

1170. Mr. Spooner.] Are you not aware that at the present moment several of the chief button-manufacturers in Birmingham are buying foreign buttons to supply their own customers, because they can buy them cheaper than they can themselves manufacture them?—There is no doubt of that.

1175. Mr. Labouchere.] Do you believe that in a series of years the exportation of British hardware manufactures to foreign ports has diminished?—I do

not mean to affirm that; it has varied exceedingly; I mean to affirm that certain markets, such as the continent of Europe, we have gradually lost; we have lost the German market, the Italian, and the Spanish; the Germans first of all drove us out of that market, and then invaded Italy, Spain, and Germany; the German travellers swarm in Spain, and our trade in those markets has gradually diminished; they have not yet reached the colonies; till the present panic, there was a considerable business carried on with other quarters of the world, which compensated us for the loss of those markets, but we are driven out of those markets by the rivalry of the foreigners; they are gradually extending their business in the article of glass; there was formerly in Birmingham a trade in glass drops for chandeliers; that has ceased to be a trade here; I import every glass drop without exception; I am sending to India some remnant of orders, but it is entirely German glass.

Sir Robert Peel's Cross Examination of the Opponents of a Gold Standard.

1111. *Sir Robert Peel.*] You attach great importance to fixedness in the value of money?—Very great importance.

1112. Will you have the goodness to explain in what way you would accomplish that?—I can only repeat what I have said already; the present system gives no fixedness, inasmuch as the price, but not the value, of the gold is fixed; the issue of paper money in addition to the gold money depreciates the gold money as well as the paper; but the price being fixed, you have no index of the depreciation now; if you were to cease to have your standard as a coin, taking gold for your standard, then if a £4 note would not in the open market buy an ounce of gold, you would have an instant indication that it was depreciated; suppose we take gold, and suppose £4 to be the standard; if it required £4 1s. to buy an ounce of gold, you would have an instant index of the depreciation; before you came to an escape of the basis from under that enormous superstructure, you would have an index of that, and you would be able, by keeping up the standard, to satisfy the claims both of the creditor and the debtor; under the present system, you first of all ruin the debtor, by coming down to a low price, and you benefit the creditor; and then, when you come up to a high price, you injure the creditor and you benefit the debtor; you have therefore a perpetual fluctuation between money unjustly raised in value, and money unjustly depreciated in value; because by your own act you destroy the index which should warn you of those variations of price; you have fixed the price, and you assume that you have fixed the value; that is one of the great fundamental errors of the Act of 1819.

1113. Then you would advise a material change by law of the Act of 1819?—Yes; I would specially advise that whatever standard may be chosen by the country, that standard should not, as a point of principle, be part of the money of the country, because then you have no point of comparison; if you have a standard which is not part of the money of the country, you have a point of comparison which enables you to ascertain when the money of the country varies; it now varies secretly without giving you any notice.

1114. You would advise the continued issue of promissory notes?—I should say that the basis of the money of the country should be the legal tender.

1115. But paper money, which circulated from hand to hand, either the notes of the Bank of England, or the notes of private banks, or joint stock banks, under the system you would recommend, you would continue to permit the issue of?—The entire currency of the country should be paper.

1116. Will you have the goodness to give us a draft of the bank note you would permit to be issued?—I would have it in amount anything that might suit the national convenience, but instead of saying "I promise to pay," I would simply put, "Value One Pound," or whatever it might be.

1117. A 5s. or 10s. note you would have?—Anything that might suit the national convenience.

1118. Even 1s. note?—I do not say that it would suit the national conveniences to have 1s. notes, but if it did, I do not see any objection to it; if I restricted anything, I should be more inclined to restrict the bill for six months, or three months, or two months date, than I should be inclined to restrict the lesser notes, which are for the lesser conveniences of life and for lesser men.

1119. You probably would not permit bills for so long a date as three months, or six months; you would put some restriction upon the date of the bills, but you would not propose any restriction whatever upon notes?—I would put no restriction upon the date of bills; I would leave them to every party's convenience; I did not mean by my last answer that I would restrict them, but it would appear to me more natural to restrict the longer dated bills, which are bills for circulation, rather than notes which are for ready payment.

1120. You would permit any persons to issue paper notes marked upon the outside "Value" so much?—I understood the former question with reference to the draft of the note, to refer to the note which was a legal tender by law, the national note.

1121. We will take the national note, in the first instance; by the "national note" you mean a note issued by the Bank of England, or somebody corresponding with the Bank of England; what should be the form of that note?—The form would be merely "Value" so much, not "I promise to pay," which implies that it is not in itself value or payment; but being a legal tender, I would have it, in fact, a payment; all I would do would be to take care that the value was maintained; I would write "Value £1," and I would take great care that that value did not fluctuate either one way or the other.

1122. It would of course be inconvertible into metal?—It would be inconvertible in the present acceptance of the term: but it would be, in point of fact, always convertible into gold, or whatever else we wanted; the party holding it would not have to go to the Bank, but he would go into the market to get it converted.

1123. But supposing he wanted £100 of gold in exchange for £100 of paper, you would not give him the power of requiring payment in gold?—Certainly not.

1124. Would you retain gold in circulation?—If we had gold as the standard, I would not retain it in circulation as coin; for it must be, if it is coin, liable to be depreciated in value.

1125. You would not have as coin anything that composed the standard?—No.

1126. Would you issue gold from the Mint?—Yes, especial care being had, that the metallic value of the coin issued be so far below the nominal value as to secure it from being melted or exported.

1127. At the present standard of £3 17s. 10½d. ?—I will not say that that is the right standard for the country, for no test has been applied to that; it was adopted arbitrarily, without any inquiry, without any reference to the condition of the country, and without any reference to the fact that the restoration of the gold coinage by the Mint would make so large a demand upon this narrow market, the gold market, as essentially to alter and raise its value; therefore I do not say that £3 17s. 10½d. would be the right standard; it might turn out to be so, or it might not, and I do not myself think gold would be a good standard. I have seen cases in which we have been reduced to this point, that we have been looking out with some anxiety to the mines in Russia, or to the mines in South America, to know whether English industry would be permitted to exist. I would take care that English industry should exist by its own energy and its own power, and that we should not be looking out to Russia and to South America to know whether English industry could be carried on, which has been the case.

1128. Supposing you retain what is called the present standard, that is gold at £3 17s. 10½d., and you permit those tokens, as you call them, to circulate; and supposing there should be a very great disproportion, in public opinion, between the value of the inconvertible bank note, and the value of the sovereign, what step would you take then?—I would just mention that the supposition is absolutely impossible, and I will state the reason. The only use that men have for their money is that it can cancel their debts; the money that by law would cancel a debt would minister to a great human necessity; a necessity from which it is absolutely impossible to escape, and therefore it would have as much value in the market as any other article; for instance, wheat: the only reason that wheat has any value is, that it ministers to the necessity of hunger, from which we cannot escape, and that value varies exactly according to the laws of nature, in proportion to its abundance or scarcity. If we had proper money, with no other value than that by law it cancels debts, that money would minister to human necessity, from which it is as impossible to escape as from the necessity of hunger, and, therefore, it would to all intents and purposes have value; and then it comes to the simple law, that being being an article of prime necessity, its value would vary according to its abundance or scarcity; it would be exceedingly easy, therefore, to regulate that, and to keep it at its proper price.

1129. What would determine, under your system, the value of the pound, as it would have no reference to any metallic value?—I beg your pardon, I do not think gold is a good standard; but supposing we continue gold as the standard, as people are used to gold as the standard, all the difference between my system and the Bills of 1819 and 1844 would be this, that now you fix the price, and therefore you have no index of the value of your money. Your money alters its value, and that it has altered its value continually is certain. I would take gold under my system as the standard, but not have it as a coin; and if it were found that four one pound notes would not in open market purchase an ounce of gold, and gold were your standard, instantly you would have a warning that your paper money was not of the value it purported to be; what I want added to the present system is an index of that kind that shall show constantly whether really your money is of the value it purports to be or not. You can exchange it for gold, but gold varies perpetually in value; and the only reason you do not see the variation in value is because you fix the price, whatever you have as the standard. I have little choice about that; the standard ought to be something separate from money, with which you can compare the money, in order to see whether the money varies; for instance, you take gold as the standard, at four pounds the ounce; if four one pound notes would not buy an ounce of gold in open market, you are quite certain that the money is depreciated in value.

1130. Why should you not give me the power of demanding gold in exchange for notes?—Because the present state of the law fixes the price and disguises the alterations in value. My suggestion is, that you should set the price of gold free; while you use gold as coin, the price is fixed; while four sovereigns weigh an ounce of gold, of course it will be always four sovereigns to the ounce, and people have been so accustomed to judge of the value of a thing by its price, and the value is completely disguised: if the price in the market be set free, and you find that your paper depreciates, you have a warning. Now the whole object of the Bills in 1819 and 1844 was to prevent the depreciation; the paper is perpetually depreciated; but you do not perceive the alteration in the price of gold, because you have always the sovereign to resort to, to melt and export, and the price does not vary till the whole is melted or exported.

1131. Is a sovereign anything more than a definite weight of gold?—Certainly not; if you are bound to provide four sovereigns for four one pound notes, you have always a definite weight of gold to resort to.

1132. According to your system, if four pounds did not purchase four pounds in the market, you must have a restriction upon the currency?—Yes; but according to my system you would have an index of the variation of value; you have none now till the whole of the sovereigns are melted; the only index you have is the gradual disappearance of the sovereigns; but that is unsafe; the sovereigns disappear so silently, that it is only when the gold is gone, the paper collapsed, and distress has accumulated round you, that you find it out, and that has been exhibited by the suddenness of the manner in which the Bank has been obliged to pull up the country; it has never been noticed before; the present system has been defective in that respect; every panic is a proof of it: we have had not one panic only, but four panics, and therefore I have four proofs.

1133. Would you permit the free export of gold, when gold was in circulation, but no longer demandable in exchange for notes?—Certainly; I would leave it as free as air.

1134. Supposing there should be a sudden scarcity of gold in the country, would not the value of the gold that remained increase?—I have said before that I took gold money as an example, but that I thought gold was the worst standard you could have on that very account, but I took it as illustrative of my meaning.

1135. Then your opinion is, that gold ought not to be taken as the standard?—I do not think it would be a good standard; metals have to each other a definite value. If you took as your standard a metal or metals less liable to be carried out of the country, and less liable to great fluctuations, then you would secure to the holder of a note a corresponding proportionate value; if you took tin, or lead, or copper, and the note were worth so much copper, whatever your standard might be, it would be worth a corresponding quantity of any other article of human production; but I think, on account of the extreme facility of removing gold from one country to another, and on account of the peculiar idolatry that men have both at home and abroad for gold, it would be the worst standard possible, as being the most liable to be affected.

1136. Supposing gold were taken as the standard, we will take four pounds the ounce?—I took that to avoid fractions.

1137. Four sovereigns would be worth an ounce of gold?—I would have no sovereigns: if we have gold as the standard, we must not retain it as a coin; because, if we retain it as a coin, we prevent the possibility of ascertaining the variations in the value.

1138. We will take silver, then, as the standard, which you think would be preferable to gold?—Yes, but then you must have no silver coin; we come to that.

1139. If you took silver as the standard, the note must not promise to pay in silver?—No, the note would say, "Value One Pound."

1140. Which does not mean 20s. either in gold or in silver?—Whatever you took as the standard, it would mean that is your price; it might mean one pound of copper, or it might mean one pound of silver or of gold; but it would mean that proportion of whatever you took as your standard.

1141. I would take any standard that you wish?—It is perfectly indifferent what you take as your standard, on condition that what you take as your standard you do not also take as your coin.

1142. Let us take corn as the standard?—I should not think it advisable to take anything as the standard which was liable to the great fluctuation of the season; metals are more fixed in their production, and are not liable to the extreme variations of the season; but fixing the standard is a matter of detail; all I mean to say is, that you should have as your standard something that shall be left free to vary in price; so that the variation in price in your standard might indicate when your paper depreciated.

1143. Supposing the paper was very abundant, the value of your standard

would fall with it?—No, if it ceased to be a coin; we will take for example gold; if paper were very abundant, gold would rise in price, because paper would fall; then the rise on the price of gold would be an index that paper was falling, whereas now you have no safety or warning.

1144. But if either gold or silver is taken as the standard, neither gold nor silver must enter into the coin?—Certainly not; because coining then involves a fixity of price; for instance, take it in round numbers that your standard is £4 an ounce, for mere illustration, to avoid fractions, four sovereigns being equal to an ounce of gold; of course you have a fixity of price, and it always must be four sovereigns an ounce; at present you do not discover the variation in the value, but the moment you cease to coin the gold, your paper is a point of comparison with the gold, and if it requires £4 2s. of paper to buy an ounce of gold, you discover that the paper has depreciated.

1145. Your system would be this: there would be notes for 2s. 6d., 5s., and 10s., marked upon them "Value One Pound," and neither gold nor silver would be allowed to circulate in the market; what would regulate the value?—That would be regulated by the standard; you must first issue money till you have raised the prices generally to a remunerating level, which they are not at now; they are at a destructive level.

HOUSE OF COMMONS, 22nd February, 1848.

Philip Henry Muntz, Esq., Examined.

1250. *Chairman.*] In what line of trade are you?—I am a general merchant.

1251. How long have you been in trade in Birmingham?—I have been in trade 25 years; I have been in trade on my own account since 1832.

1252. Have you been at Birmingham all that time?—I have resided at Birmingham since 1834; I was on the Continent till 1834.

1253. Will you have the goodness to state what you consider to have been the condition of trade in Birmingham at the end of 1846?—It was a fair average trade, at low profits and low wages, but the majority of the workmen were tolerably well employed.

1254. Do you consider that there was any over-speculation at that time?—I do not.

1255. What is the present state of trade in Birmingham?—It is in a very depressed state in Birmingham, and the whole neighbourhood; as far as I can judge from what I have ascertained from others in Birmingham, there are from 5,000 to 6,000 people entirely out of employment, and the remaining number, or a very large majority, are working two or three days a week, many of them not so much; of course there are some individuals fully employed; I am not aware of any, but I have no doubt there are some.

1259. When did you first feel the difficulties in Birmingham?—The first difficulties were about the first week in April.

1260. What was the immediate cause of the difficulties then?—The immediate cause was the Bank of England, either refusing or curtailing discounts to a certain extent; the report derived from the public papers stated, that several of the large houses in London had been refused discount except to a very limited extent, and that was followed by the Branch at Birmingham adopting the same measures, which of course seriously affected all parties concerned.

1261. Do you mean that the Bank of England's Branch at Birmingham curtailed its discounts?—Yes.

1262. Did it refuse discounts at all?—It refused to discount bills beyond a certain date; I think it was 31 days, or they fixed a day which came within 30 or 31 days.

1263. *Mr. Spooner.*] Can you state a fact within your own knowledge?—Yes; when I saw the account in the paper, I wanted to see whether it was the fact or not, and I took some bills to the branch Bank; I have had an account there for 18 or 19 years; I selected about £1,000 of bills, and they were all under the time I had heard talked of, except one bill, I believe it was on Smith, Payne, and Smith, or on Glyn,—it was a bill for about £200, and it had about two-and-a-half months to run; I went to the Bank and said, “Do you give up discounting, or do you continue to discount?” the agent was not there, but his deputy was there, and he said, “You are aware of the change?” I said, “No, I am not;” he then informed me, that they had advanced the discount one per cent., and also that they could not take any bills longer than a certain date. He said, “If it is a matter of any serious importance to you, we can manage to discount the bill somehow or other;” I said, “Not the slightest;” I took it back; I merely did it to try the question.

1264. The objection was to the date of the bill?—Yes; it was as good a bill as could be made.

Causes of the Crisis.

1270. *Chairman.*] Will you have the goodness to state what, in your opinion, were the causes of the commercial difficulties of 1847?—I consider that they may be traced, first, to the potato blight in the summer of 1846, and then there was a great deficiency in the oat and barley crop of England, and I believe throughout the whole empire. In consequence of the general deficiency, cereals of every description were imported; the balance of trade was turned against this country, and large amounts of bullion were exported, and the Bank was obliged to act in the way they did; they had no alternative, and I must beg leave to say that I do not find any fault with the Bank; they acted according to law; they could not do otherwise than as they did. In the months of October and November last, when things were at the very worst, the Bank did everything they possibly could to sustain the commercial classes.

1271. Do you consider the speculations in railways to have been one of the causes of difficulty?—I do not; I think the effect was that some 200,000 or 300,000 persons were being employed on railways who might have been otherwise in the workhouse, and they may have been more comfortably fed and clothed, and there may have been more importations of food, and perhaps of little luxuries for themselves and their families, than there would have been otherwise; and that may have added to the balance of trade against us; but except in that way I do not think the railways have affected it.

1273. What is your opinion of the effect of the Act of 1844 in producing these difficulties?—I have no doubt that the Act of 1844, to a very great extent caused the sudden difficulties in April, and still more those of October; but if there had been no Act of 1844 the difficulties might have taken place, but I think they would have been less sudden; I have no doubt that the Bank would have extended the time to the parties instead of suddenly refusing to discount, as they were compelled to do under the Act of 1844; I think they would have acted more in the manner they did in 1838 and 1839, it was more gradual.

1274. Supposing the Act of 1819 had been in operation, but not the Act of 1844, what do you consider would have been the result?—The eventual result would have been much the same, except that parties who were solvent would not have been ruined, and many respectable persons who have suffered most severely, though they have not appeared publicly to suffer, would have been saved an enormous loss of their property, in consequence of being obliged to sell their property at any price to meet their engagements.

1276. Do you consider that the note would have continued convertible under the Act of 1819, without the Act of 1844?—I think not; if there had not been the Act of 1844, I think the note would not have been convertible. The Bank

would not have had more than £6,000,000 or £7,000,000, and the drain was much larger than that amount; and therefore I do not think they could have maintained convertibility.

1277. Are you then of opinion that it would be advisable to repeal the Act of 1844, leaving the Act of 1819 still in force?—As far as I can judge, it would not be advisable to repeal the Act of 1844, leaving that of 1819 in force, which makes the note convertible.

1278. Will you now state to the committee what your opinion of the Act of 1819 in combination with the Act of 1844 is?—The Act of 1819, in combination with the Act of 1844, has a tendency eventually to lower all prices here to the continental level; there can be no doubt of that; it has not done so hitherto, but it must do so now that the system of free trade will be completely carried out from the 1st of February 1849, and everything will come in contact with foreign prices.

Mr. Muntz' Theory of the Currency.

1285. *Chairman.*] What is the monetary system which you would adopt, supposing it were in your power to settle this matter now, without any of the practical difficulties which encumber the case?—It is much more easy to act upon a new principle than to go back to one abandoned.

1286. Supposing you had a blank sheet of paper to write down your plan upon, what would your plan have been?—My plan would have been in 1819 to have taken the actual value of the pound sterling at the time. I should have estimated the actual value of the pound sterling, and taken that value payable in silver or gold,—the double standard at the option of the payer.

1287. Would you have issued notes convertible at the option of the holder in gold or silver?—No; the notes would have been merely what they are at this moment, except that they would have been payable in the joint standard instead of the single standard of gold.

1288. Would they be convertible by the bank which issued them?—By the party issuing them, whether it would be the Bank of England or a national bank; whatever body might be appointed.

1289. That would be a paper convertible currency?—Yes; convertible into silver and gold, just as it is now, except the double standard.

1290. With the simple difference that the notes would then represent a smaller quantity of metal?—They would then represent the quantity of metal which was worth £1 at that time, so as not to interfere with either the public creditor or the public debtor.

1291. *Mr. Cayley.*] How would you measure the actual value of the pound sterling?—By ascertaining the quantity of corn that an ounce of silver would have bought, or by taking some half-dozen commodities, because corn might be accidentally higher or lower; and in this manner you might have ascertained the value of the pound.

1298. *Chairman.*] You are not an advocate for inconvertible paper money?—I never advocated it, because I know that it is directly in opposition to the general feelings of society, but speaking individually, I never saw anything impracticable in it.

1299. But what would be the system that in your opinion would work best, independently of the prejudices and feelings of particular people?—If it were an abstract question of what is the best currency that could be formed, I have no hesitation in saying that an inconvertible paper currency would be the best; but I should never recommend it in this country, because I know the strong feelings of the people of the country against it.

The Currency at Hamburg.

1344. *Mr. Thorneley.*] You mentioned that you had resided for a considerable time on the Continent?—I did for years.

1345. Are you acquainted with the monetary system of Hamburg?—I am.

1346. Will you be kind enough to state in what way the monetary system there is conducted?—There are two monies in Hamburg; there is the current money for ordinary purposes, and there is what is called "banco," which is 25 per cent. better value, and which represents silver deposited in the bank of Hamburg; there are no notes issued at all.

1347. In what way does a person, having a lodgment in the bank, draw it out?—By "writing off," as it is called; there are certain forms in which you write, "Give to Mr. So-and-so, so much banco," and that is the way the bills of exchange are paid; I never knew money used, and I do not think it is according to law.

1348. Then the commercial obligations at Hamburg are discharged by cheques which transfer payments to the debit of one party and to the credit of another?—Entirely so.

1349. The commercial transactions of Hamburg are to a very great extent, and it is a large and important city?—It is a very important town indeed, and there is a very large trade there.

1350. What was the state of commercial affairs in Hamburg, during the last year, at the time of our panics in April and October; were they subject to the same embarrassments, or to greater or less embarrassments?—They were subject to less embarrassments than we were, and had it not been for the return of commercial bills going back from this country, I think they would not have felt any panic at all.

1351. Then you think Hamburg, under that system of transferring payments at the Bank, would have had no panic last year, but for the return of the bills of exchange drawn upon England?—I do not think they would.

1352. What is the ordinary rate of interest at Hamburg on the discount of bills?—The ordinary rate upon commercial bills is pretty nearly the same as in London; it is generally rather lower on the Continent than it is here; I have frequently discounted on the Continent in preference to discounting in England.

1353. When the Bank of England was discounting at 8 per cent. in October last, do you know what the rate at Hamburg was?—I believe the highest it ever went to was 6 or 6½ per cent., and that for only a few days.

1354. What should you say was the rate of discount at Hamburg from the beginning to the close of the year 1847?—It would be merely a guess, if I were to give an opinion.

1355. But it is ordinarily lower than it is in London?—Yes, and in Frankfort rather lower than in Hamburg; I should say the rate of interest generally in the northern part of Europe was lower than it is in England or in France; that is my impression, but at the moment I have not any data to go by.

Evil of the Present Gold Standard, and Proposed Remedy.

1368. Is it an essential part of the present system that the rectifying of the exchanges diminishes the comfort of the working classes?—I think it is; if the working classes are to be fed and clothed and kept comfortably, you must import more than you export, and the more you import, the more is the balance of trade against you; we have an instance of that in the consumption of 1846-47, which was very great.

1369. Is it necessary with the present system to have those periodical convulsions?—I fear it is.

1370. Why?—I do not see how you can have a circulation with an intrinsic value, and at the same time prevent that circulation being exported when it becomes a commodity.

1371. Then you consider that the paper part of the circulation has a tes-

dency to escape from the metallic part of the circulation?—There is no doubt of that.

1372. Do you believe that that has been the case under the emergency that we have suffered from in the last year?—I have no doubt that the paper circulation in the year 1846 depreciated the value of the pound sterling, for the pound sterling becomes of less value when you can buy less with it.

1373. Did that tend to increase the price of the imports here?—Of course it did.

1374. Did that discourage exports?—It would do so necessarily.

1375. The balance of trade then would be against us?—That would tend to increase the balance of trade against us, which was brought about by a large supply of food.

1376. Is it not a necessary part of the present monetary system that the paper should fluctuate in quantity with the amount of bullion?—Of course, it must be so; the Bank has to act upon the exchanges.

1377. Suppose there were no paper, and the circulation should fluctuate with the amount of the precious metals, would the tendency be to have cheaper money at one time, and dearer money at another?—If there were nothing but bullion, and you were to increase the quantity of it, say double it, you would lessen the value of the pound sterling; and if you were to double the quantity of money, the extent value of all commodities would rise in proportion, although, perhaps, not to the full.

1378. The amount of bullion in this country having been £16,000,000 in 1844, suppose the circulation to have depended upon that without any paper, would not that have created a tendency to make a currency at that time cheaper than it was when the amount of precious metals was only half?—If there had been no paper at all, of course there would have been £16,000,000 in circulation instead of £8,000,000, and it would have made a difference in the value.

1379. If the currency were purely metallic, there would be a tendency to the same fluctuations as there are now, with a mixed metallic and paper currency?—There is no doubt that there will be always fluctuations when there is an intrinsic value; for instance, suppose there had been £20,000,000 of bullion, nothing but bullion, in the present year, and £6,000,000, or £8,000,000 or £10,000,000 had been exported, the Bank would have had then only half the means of accommodating the commercial classes that they had before, and the pound sterling would have been raised in value.

1380. If we had a metallic circulation, and there had been £16,000,000 of that in 1844, and only £8,000,000 in 1847, would not great distress have been occasioned?—No doubt of it.

1381. Do not you think that these great fluctuations in the amount of the currency, and in the rate of discount, are very injurious to the industrious classes?—Undoubtedly; they are very injurious, to the morals and condition of the working classes in particular.

1382. Do you see any means of preventing them under the present monetary system?—No, I do not.

1383. Do you see any possibility of preventing them under any other system?—Yes; I think they might be prevented to a great extent.

1384. Will you state to the Committee under what system those fluctuations could be prevented?—I think with a well-conducted and well-regulated paper currency, inconvertible, they might be almost entirely avoided.

1385. How would you rectify the balance of trade?—That is a very simple process; suppose there were £20,000,000 of notes in circulation, (you would want more than at present, because you must have small notes; if you had nothing but paper currency, you must have notes as low as 2s. 6d.;) suppose the balance of trade against this country were eight or ten millions, as it was, the exchanges would then take the course that you always find they take where

there is a greater supply than demand; the exchanges would fall; they frequently fall about two, three, and four, and even five per cent., when gold had to be remitted in payment of the balance of trade; the exchange (with inconvertible money) might fall $7\frac{1}{2}$ per cent., but I am perfectly certain that the $7\frac{1}{2}$ diminution in the price of English goods and produce, and $7\frac{1}{2}$ increase in the price of foreign goods, would turn the balance of trade in a very few weeks.

1419. You have stated that the amount of money should be regulated by the amount of population; will you explain why you entertain that opinion?—After the amount was once ascertained, I said that I thought that would be the best plan: I think it fair that each individual should have a chance by industry of obtaining the same amount of wealth that his father obtained before him; if the population is to be doubled, and the money remain the same, it is impossible that children's children can have more than a part of that which their fathers now have; but the more correct way would be, as before stated, an estimate of an average of commodities.

Inconvertible Currency of Brazil.

1426. Have any foreign governments interfered by adding to the currency of their country?—Inconvertible paper I know of in no country except Brazil; it has been used there; they have an inconvertible paper currency; but there is a great deal of paper money on the Continent in circulation, and some as low as a dollar; this is a dollar of 2s. 11 $\frac{1}{2}$ d.—[*producing a paper.*]

1427. What is the history of that?—This is a note which says "One dollar, in accordance with the law," so-and-so, giving the date of the law.

1428. Is it a government note?—Yes; a note of the Saxony Government, payable in cash or taxes.

1430. Is this a new circulation?—No; these notes have been in circulation a great many years in Saxony; they have increased the circulation considerably; formerly they were not payable in gold in silver, but latterly they wanted to issue a quantity to pay off some of their Exchequer bills, and the government issued a quantity payable in gold or silver.

1431. Is it a part of that system that they pay their taxes in notes?—Yes; the note is a legal tender through the country, just the same as our Bank of England note.

1432. Mr. Hume.] Can you change it into metal dollars?—Yes; you can at a moment's notice.

1433. Mr. Spooner.] Have you a railway note?—This is one I brought.

1434. What was the origin of this note?—This was in consequence of the inability of the company to complete the line.

1435. Mr. Thornely.] What is the value of that?—Ten dollars.

1436. Mr. Spooner.] That is for four years?—Yes; there are four coupons, which they cut off every year.

1437. Mr. Thornely.] Did that sustain its value?—It sustained its value till the Government interfered; when they were first issued they retained their first value in every instance; but the bankers bought them up, and then Government issued an order that nobody should be allowed to buy them, not even the company; then they fell to 10 per cent. discount, but that was not till the company were prevented paying in silver.

1438. Are they current?—Yes; they are payable with 4 per cent. interest; and the disturbance we have had in commercial affairs caused notes which produced 4 per cent. interest to fall to a discount.

1439. Mr. Spooner.] Why did the Government interfere?—They were afraid that these notes might interfere with their notes.

1440. Mr. Thornely.] What is the value of the Brazilian currency?—The milrea is worth 2s. 1d. at this moment.

1441. What is the value of the milrea in specie?—There is no milrea in

specie; it was once, in the time of Don Pedro, as high as 40*d.*, at that time the Government of the Brasils was despotic; and whenever the Chancellor of the Exchequer was short of money he issued more inconvertible paper notes, and exactly in proportion to the quantity he issued, the value of the note fell; but in 1830, or the beginning of 1831, the Emperor was driven away from Brazil; and there was a constitutional government established, with two Chambers, on the same system as we have here; and there was a law passed, that the Finance minister should not issue paper notes without the consent of the Chambers; and unfortunately that consent has been granted twice, and the same depreciation has followed.

1442. What was the original value of the milrea?—Three shillings and fourpence, I believe.

1443. What has the depreciation brought it down to?—The depreciation at one time, I believe during the war, when the Emperor issued paper notes *ad libitum*, was as low as 20*d.*

1444. What had been 3*s.* 4*d.* was 1*s.* 8*d.*?—Yes; then they diminished the quantity, and they rose to 2*s.* 6*d.*; then the Chancellor of the Exchequer issued a few more, with the consent of the Chambers, and then they were at 2*s.* 3*d.*

1445. What is the present value?—The present value is 2*s.* 4*d.*; they now fluctuate a halfpenny more or less, according to the state of the exchanges.

1446. Mr. Cayley.] Can you conceive a greater curse to a country than such a fluctuation?—I think any fluctuations, up or down, are very ruinous to a country.

1447. Mr. Hume.] In Brazil those notes are inconvertible?—Yes.

1448. And you have stated that in proportion as the Crown or the Government issued those in excess, a depreciation took place?—Yes, as near as may be; I used at one time to take a great interest in the matter; and I got all the accounts.

1449. Are they at par now?—They have never been at par for many years, because, as I just mentioned, when the Emperor had the power of issuing those notes just as he liked, whenever he was short of money he issued those notes.

1450. Do not you think that if the same practice were adopted in England of issuing notes not convertible into coin, the same result would take place as you have shown took place in Brazil?—I should hope that we could have a Board in England sufficiently powerful to prevent the Chancellor of the Exchequer issuing notes in excess. The depreciation in Brazil has been only when there has been an excess of issue.

1451. Would there not be a difficulty in allowing to any man or set of men the power of regulating the amount of issue of paper, which, as you must be aware, affects the price of all property for the time?—I do not see why a power of that sort should not be given to a Board, as well as to the Bank of England.

1452. The Bank of England has not that power, for the bank of issue does not require any interference on their part?—What I mean to say is, that the Bank of England increase or decrease their circulation, or are supposed to do so, according to the demand and state of the exchanges.

No System of Currency can prevent occasional Commercial Distress.

1530. Mr. Beckett.] We have referred to convertible and inconvertible currency; do you think that any system of currency, convertible or inconvertible, can be devised, in which occasional periods of commercial distress will not arise, as long as commercial transactions are entered into by parties almost without limitation and beyond their means?—I do not think it possible; I do not think that any system of currency that any human being can devise can correct the follies of mankind; there are always some people

who will speculate beyond their means, but under a proper system there would not be whole rows of perfectly innocent people knocked down as there have been lately.

HOUSE OF COMMONS, *February 25th, 1848.*

Samuel Gurney, Esq., Examined.

Injurious Effect of the Bank Act.

1568. *Chairman.*] How long have you been in business in London?—I have been in business in London since the year 1807.

1569. In what line of business are you engaged?—The business in which I am is usually designated that of a bill-broker.

1570. Before we proceed to ask you any question with regard to the last year, will you state to the Committee whether you think that since the passing of the Act of 1844, there has been any previous period which shows the working of the Act?—In February, 1846, the operation of the Act of 1844 was sensibly felt.

1571. Will you state in what way it was felt, and your view of the pressure at that period?—The pressure of 1846 arose from the excitement that had occurred upon the subject of railways for the previous two years, and more particularly from a regulation of Parliament, that a certain amount of deposit on each company's scheme should be paid into the Bank, on account of the Court of Chancery, within a certain number of days of the meeting of Parliament; before the payments took place it was impossible to ascertain the exact amount of what the payment might be, but it was presumed that it would range from 10 to 25 millions sterling.

1572. *Mr. Thornely.*] Was not a good deal of it paid in Exchequer bills?—No; the payment was to be made in Bank notes; so very large a sum to be taken out of the circulating medium then existing, was a very severe operation; the Bank being under the restriction of this Act, instead of giving increased accommodation to the monied interest, which, were it not for this Act, they would have done, acted upon a very marked system of limitation; the usual accommodation that we had had, had been by the discount of bills having less than ninety days to run, or loans on the security of bills for the same period of ninety days or less; the Bank were alarmed in consequence of the effect of this Act, and limited the period first to sixty days, then to thirty and to twenty, and at last to only ten days; the effect of which was, that the money dealers were wholly disinclined to take money for such short periods, and to accommodate the mercantile community with it, and very great stagnation and pressure took place for a fortnight or three weeks.

1573. *Chairman.*] Do you consider that stagnation to have arisen entirely from the operation of the Act of 1844, and if so, in what way?—It took place solely in consequence of the operation of the Act, inasmuch as if it had not been for the Act the Bank would have been willing to have made liberal advances, and the public would have had all the accommodation they required, and instead of a time of pecuniary distress and disturbance in the money-market, it would have passed over without being noticed by the public.

1574. Was there at that time any other cause whatever which was likely to have produced that effect?—At that time there was no other cause whatever; it was a period when the stock of bullion in the Bank was upwards of £13,000,000, and the exchanges in favour of the country; the stock of bullion was gradually on the increase; it was a period of great monetary prosperity.

1575. The inconvenience at that time, in your opinion, arose entirely

from the restriction in the Act?—Entirely and solely; there was nothing in the money market or money transactions of the time, but what led to entire ease and facility, excepting as we were under the bondage of this Act.

1576. Can you compare the operation under the Act, as you stated to have taken place in 1846, to any similar period previous to the passing of the Act?—The only period to which I can at all compare it was that in which a loan for compensation for the West Indies was raised. At that time there was a very large amount of Bank notes to be paid into the Bank, which before a long interval would not be paid out again. The monied interest at that time had large accommodation from the Bank, as stated they ought to have had, in the latter case; our house alone, in the case of the West India Loan, were supplied by the Bank to the extent of £3,000,000 sterling. In the latter case, in February, 1846, we ought to have had at least as large an accommodation for the advantage of the public; we, however, limited it to no greater number of Bank notes than we could possibly limit ourselves to, wholly throwing over the accommodation to the public; this was the effect of the Act.

1577. At that period of the West India Loan, was there any inconvenience felt, such as there was in February, 1846?—There was no inconvenience whatever felt by the public, inasmuch as the public got the relief as I stated, because not only was my own house so accommodated, but others in equal proportions had the same accommodation, and the circulation in the city was never materially deranged; at that time the public were not the least aware of this very large operation going on; and, in my opinion, the public ought not to have been inconvenienced in February, 1846; there was no ground for it, were it not for the bondage of the Act.

1578. Do you consider, that if the Act of 1844 had been in operation at the time of the West India Loan, inconvenience would have arisen from the restriction in the Act?—Inconvenience to a great extent, but not to the same extent as in February, 1846.

1579. You have stated that one source of the inconvenience in February, 1846, was the uncertainty as to the amount that would be wanted?—It was so; it was quite uncertain when the Bank would be required to repay this large sum of money; and they were afraid, under the Act, to use it.

1580. Are the circumstances of February, 1846, likely to occur again, or was not it an extraordinary event?—It was quite unprecedented in the history of money transactions; but still it has given that experience which would make me extremely alarmed at any very large payments to be made by the public into the Bank under the operation of this Act.

1582. Have you anything else to add with reference to the occasion of February, 1846?—There has been no occasion, in my opinion, in which the Act so favourably operated upon a state of money market, as in the case of February, 1846; in that case the Act only was the cause of the inconvenience; in what has occurred since, other causes have operated; but then it was only on account of this Act that the Bank, instead of giving increased accommodation at a period when, of all others in all my history, it was most wanted, adopted a restrictive system, till it was almost saying that they would not let you have money at all; because, to give your notes of hand for hundreds of thousands of pounds, for ten days, was that which no prudent man would enter into beyond what he could possibly avoid. I have no hesitation in saying, that our house ought to have had at least three times the amount we had; this was entirely and solely owing to the system of restriction by the Bank being under this Act. [1568—1582.]

The Crisis in October, 1847—its Causes and Consequences.

1596. In what way did the pressure begin in August?—It began by very large failures in the corn trade; it was some little time before those failures

extended into other lines of business; at the same time our apprehensions became greater weekly; we had again severe failures in houses connected with foreign parts in September, and by the end of that month there was a very marked distrust in the City, as touching the mercantile community: that distrust very generally extended, and at last there was rather a strong tendency on the part of those that could, to provide Bank notes, and Bank notes were provided by people of power to a much greater extent than was wanted; the reserve of the Bank became less and less, till it became a very serious question whether Bank notes were to be had at all under the operation of this Act: as that apprehension increased, the intensity of the desire to possess circulating medium increased also; instead of giving relief, as naturally would have been the case, had it not been for the Act of 1844, the Bank was under the necessity of going upon a system of severe restriction; it is due to the Bank to say, that at that time, to houses in actual difficulty they did extend a hand of liberal generosity and with unflinching liberality; at the same time, to houses that could stand alone, and wherever they could possibly avoid giving it, they restricted it as much as they possibly could, and so it went on, till, as the Committee know, the reserve of money became very small indeed.

1597. Do you consider that the actual amount of notes out of the Bank was insufficient for the purposes of the country, or do you mean that in consequence of the alarm, a considerable part of that circulation of notes out of the Bank was rendered inefficient by being locked up?—It is quite clear that the amount of notes that the Bank had issued were very much beyond the actual requirements of the country, amounting to nearly £21,000,000.

1598. Mr. *Glyn*.] You mean beyond the usual requirements?—I mean that the notes in the hands of the public, at the end of October, amounted to £20,800,000; I have no hesitation in saying that there were at least £4,000,000 sterling more than the actual requirements at the time, and that excess was inoperative, in consequence of the alarm that existed owing to this Act.

1599. What was the effect of the issue of the Government letter?—The effect was that of immediate relief. Perhaps I cannot explain the case better than telling the history of my own firm on the day on which the Government letter came down, and the previous Saturday: up to that Saturday, our firm had no occasion to apply for any assistance from the Bank of England; in consequence of the feeling of panic we had on the Saturday to get possession of the circulating medium, I went over to the Governor of the Bank, to negotiate an advance; I was received by him, as I always have been in that establishment, with great courtesy, but I was told that they could not give me an answer till two o'clock in the day, but that they would, if practicable, make a point of letting me have the money; they gave me a pretty strong expectation that they would, but that they should charge me 10 per cent. interest.

1600. Have you any objection to mention the amount?—The amount was £200,000; whether 20,000 more, or less, I cannot say. I stated to the Governor that it was a matter perfectly immaterial whether we lost two, or three, or four hundred pounds in such a transaction, but that I thought it would have a very injurious effect if it were stated in the city that our firm had paid 10 per cent.; I strongly urged this, and he was kind enough to relax to 9 per cent., but below that he was quite unwilling to go, and we paid 9 per cent.; that was on the Saturday. On the Monday morning there was the same cloud over the city; there was a strong desire, both on the part of gentlemen from the country and bankers in London to get possession of circulating medium, as they most reasonably thought, while it was to be had; and a very great variety of orders came in from the bankers for sums of money, and from others not bankers. I went over to the bank (or my partner) and stated that

we should want a similar sum; we were received with the same courtesy, and told that at two o'clock they would let us know whether we could have it or not. Before two o'clock this relaxing letter had come down, and very generally the orders for money were withdrawn; they said, "We do not want the money now—we do not want the money now—there is no occasion to pay it." Sums of money were immediately offered us, and people then began to have confidence to use the notes which they had. Before the week was over we had to go and ask the Bank, as a favour, to let us repay the money which we had borrowed.

1601. Are you of opinion that if the Government letter had been issued earlier any part of the pressure would have been saved?—I have no hesitation whatever in saying, that the severity and the extent of the calamity would have been limited, had that letter come at an earlier period.

1602. You spoke of the failure of mercantile houses in the course of the year; is it your opinion that a great portion of those houses that failed, were insolvent houses, which must ultimately have failed?—I think the first series of houses that failed were insolvent, and failed rightly; ultimately it began to affect solvent houses, and houses stopped payment which would not under other circumstances; and my own apprehension is, that not only the degree of insolvency, but the number of failures were increased in consequence of the very great additional pressure which this Act produced on the occasion.

1603. Supposing the letter of the Government had not been issued, but that the Act, in its full force, had been carried out into unmitigated operation, what, in your opinion, would have been the effect?—I think the wisest in the city cannot calculate; my firm persuasion is, that it would have ended in an infringement of the law or a stoppage of the Bank; it would have produced very great calamity, and extreme alarm over the country; the ultimate consequences no one can calculate.

1604. Do you think it would have affected the convertibility of the note in that way?—I think it would ultimately, but the wisest cannot exactly say; my own opinion is, that it would have run to a great national calamity.

1605. Will you have the kindness now to state to the Committee what you consider to have been the causes which produced the events of 1847?—I think the original cause was an unproductive season, and to a certain degree of excitement upon commercial transactions.

1606. Do you attribute much to the effect of the railways?—I cannot trace it to railways; I have been asked several times, whether I thought they affected the money market while they were in progress; I was under the necessity of giving an answer that I could not tell, but still my reason would say that so far as the commercial capital of the country (I do not mean the mere floating money) has been withdrawn from commercial and trading purposes into railways, it must have had an injurious effect upon trade; on the other hand, it was rather a time of excitement in trade; there was no facility wanted; and therefore, though my reason and my judgment tells me that it must have had such an effect as that alluded to, my experience has not shown it to me.

1607. You did not find it yourself?—I cannot say that I ever found it myself.

1608. Will you have the kindness to say whether, in your opinion, the Act of 1844 had any effect in producing the distress?—I do not think the Act of 1844 was the cause of these panics; I think it aggravated the misfortune on each occasion, but I do not think it could be traced to be the cause.

1609. You do attribute to it the pressure in April?—Yes, decidedly; because in April, in consequence of the Act, the Bank did, in two or three days, what they should have taken two or three months to do; it was the suddenness and rapidity of the operation that did the harm.

1610. Are you of opinion that the pulling up in April was proper?—I

think, under the Act, the Bank could not avoid doing what they did, but it was otherwise improper; it was too sudden.

1611. But you are of opinion that it ought to have been spread over a longer period?—Yes.

Conduct of the Bank Directors.

1612. Will you state your impression as to the conduct of the Bank during the difficulties beginning from August, 1846?—My apprehension is, that under the regulations which have latterly been adopted, the Bank took what might be termed a reasonable course, that of getting all the benefit they could out of their banking department; in my judgment, it would have been much better for the public if they had not acted upon that principle, and if they had begun to act upon the restrictive system much earlier than they did.

1613. *Mr. Chancellor of the Exchequer.*] Do you think that would have obviated the necessity of the sudden restriction in April?—Beyond all question; I think it would have been much better for the public, if they had begun the system of restriction sooner; but if they were told to make as much as they could of the money in their hands, they took the right way of so doing.

1614. *Chairman.*] Did you, in conducting your own business, think there was a cloud in the horizon and draw in?—We thought there was a cloud in the horizon, and we drew in for the previous six months before April; our figures were on a gradual decline, but there was a very active demand for money, and though we succeeded in restricting our figures to a considerable amount, it was a very difficult thing to accomplish, but we did do it.

1615. You think the Bank did not draw in early enough for the public benefit, and that when they drew in they drew in too suddenly?—That would be the explanation I should give of the conduct of the Bank for the six months previous to April, 1847.

1616. Have you any observation to make upon the conduct of the Bank from April to October?—As far as met my experience, it was liberal and judicious.

1617. Have you any suggestions to make to the Committee of any remedies that you think would tend to mitigate the evils of a crisis of this kind?—That question has a very general bearing; perhaps it may not be irrelevant to state that, in the origin of this Act on the currency, I thought the theory sound, and I had a strong apprehension that it would work well; that it would produce a more prudent feeling on the part of the public, and all parties interested in money dealing, and that it would carry with it its own security; but my judgment now is based on the experience of these three several periods to which I have alluded, that this has not been the case, and that the restrictive effect of the Act, at a time of peculiar pressure, works exactly adversely to what ought to be the case. Though I am wholly averse to any artificial system of getting over a bad famine, or any national calamity that the country ought to bear, I think it is very unwise to pass a law to say, that in a particular pressure, that is to last for only a few days, or two or three weeks, we will use no artificial means whatever to get over it, but that we will, *comme qui coûte*, whatever is the consequence, restrict ourselves to a certain limit; and it is my decided opinion, resulting from experience, that it is necessary that there should be a relaxing power in that Act.

1618. Do you consider that, when there is alarm, or what is technically called a panic, the cure for such panic is by an issue of notes rather than by a contraction of notes?—When there is a panic the only cure is a liberal issue of notes; and for this reason, that if the community feel that there is a difficulty in such issue it aggravates the panic; and though I have had it said to me more than once, "It is only panic—it is only panic," I am perfectly certain

that there is nothing so powerful in its injurious operation upon the circulating medium, or so wholly uncontrollable as panic.

1619. With a view of meeting this, you propose that there should be a relaxing power in the Act?—That is my opinion; and it is also my opinion, as I have before stated, that had there been a relaxing power in this Act, the severity of the distress, and the amount of the calamity in the autumn of last year, would have been very considerably less than it was.

1620. You would have a relaxing power in a special clause of the Act?—Yes; my own opinion is, that it should be a special clause, because it is my judgment, that it should be a power of relaxation by law, not by breaking the law.

1621. And with the view of acting upon it with more readiness than it was acted upon during the last period?—Undoubtedly.

1622. Where would you place the power of relaxation?—If it was only to satisfy myself, I should place it with the Bank of England; but it is quite clear that the so placing it is in fact an abrogation of the Act; and though, for my own part, I should be satisfied with the prudence and discretion of the Bank, (which is beyond what they have credit for), yet I do not believe it could satisfy the public; if so, it must be given to the Government.

1623. What is your opinion of the general conduct of the Bank during your experience in business?—Taking a review now of a pretty long experience, I should say, speaking generally, that the Bank had been extremely well managed.

1624. You think that whatever the constitution is, the effect has been good as to the government of the Bank?—That is my judgment; I am not prepared to say that it has been perfect on all occasions, or entirely according to my own views in all respects; I may have been wrong and they may have been right; but taking it altogether, I think the Bank has been managed with great credit to the establishment.

1625. Should you approve of any alteration in the constitution of the Bank, with the view of introducing into the Bank parlour some parties unconnected with trade, and of a more permanent character than the present directors are?—I am satisfied with it as it is; at the same time, I think it would not be an unreasonable infusion into the directorship of some experience, independent of commercial feeling and interest.

1626. What do you say to the proposition of a permanent Governor of the Bank?—I am adverse to that proposition.

1627. Why?—Because I observe that many men have their own particular theories, and are so bound up by those theories, that if we were to get a Governor under such influence, I should extremely disapprove of it. The arrangement of a permanent Governor might be very good, if you got a very capital man, but that is uncertain. As it now is, I believe it is far better controlled than meets the public eye, because if we have a Governor that is not quite first rate, he is in fact controlled by the Deputy, and there are other Directors of long experience always at hand, in fact controlling it; but if we had a permanent Governor, and did not happen to get the very best man, I should have a very great fear of the consequences.

Effect of the Bank Act on the country issues.

1628. Referring again to the Act of 1844, what is your opinion of that part of the Act of 1844, which limits the circulation of the issue of private banks?—My experience is not very great upon that subject, but my impression from all I have observed is in favour of the restriction as it relates to private banks.

1629. Is that the opinion you originally entertained, or has experience induced you to change your opinion upon that point?—I did not originally entertain that opinion; when this Act passed I was rather averse to that clause; but upon the whole, I think the clause has worked well, and I see no sound reason for relaxing it.

1630. What is your opinion of the effect of Act of 1844 in securing the convertibility of the note?—My apprehension is that it tends in a time of alarm to increase that alarm, and that by so increasing the alarm, it tends to increase the danger of the ultimate convertibility of the note.

1631. Will you have the goodness to state to the Committee, supposing the Act of 1844 had not passed, what you think would have been the course of events during 1847?—My opinion is, that had there been no such Act and no division of the two departments of the Bank, the Bank would have taken an earlier line of restriction, and my opinion is that the alarm that arose in April, 1847, would not have occurred; I think that period would have passed over without observation, except as far as the country ought to bear the evils of a deficient harvest; it would not have aggravated itself to the point of crisis, but it would have gone off imperceptibly and lightly; and my opinion is, that the great calamities of the autumn would have been to a less extent, and characterized with much less severity.

1632. Is it your experience of the past conduct of the Bank which leads you to the conclusion that if there had been no such Act, the Bank would have taken earlier measures of precaution?—That is my experience; the Bank have on previous occasions taken earlier precaution, and have been better prepared to meet the emergency when it came.

1633. Supposing the difficulties of April had not occurred, do not you consider that the amount of bullion would have been very much diminished from what it was?—I think it would have diminished somewhat more quickly; but it is a matter of opinion upon which it is extremely difficult to come to a very certain conclusion.

1634. Mr. Alderman *Thompson*.] Is there any part of the Act of 1844 which meets your approval with the exception of that part which restricts the issues of country bankers?—I am rather in favour of the general principle of the Act.

1635. You were understood to say that you thought that the Act of 1844 was rather an interruption to the convertibility of the note than otherwise?—Because of its entirely restrictive character; but if there were a power of relaxation, I think it would very much get over that point.

1636. Then when you gave the answer with reference to the Act of 1844 being rather an impediment to the convertibility of the note, you meant that there ought to be a proviso with reference to a relaxing power?—When I gave it as my opinion that the Act endangered the convertibility of the note rather than otherwise, it was in its perfect form, without relaxation.

As to the Weekly Publication of the Bank's Accounts.

1637. What is your opinion of the beneficial effect or otherwise of publishing the weekly state of the banking department of the Bank of England?—I think it has been very useful to those engaged in business, and has led to their protecting themselves; I am not aware of its having had any injurious effect.

1638. You are of opinion that the information is useful as a guide to the public, and that it is a safeguard rather than otherwise?—As far as I can judge by the management of my own business, it has had that effect.

1639. For instance, there may appear on the banking reserve in the week ending the 23rd of December £5,000,000, and in the early part of the following week, the Bank may have lent out £2,000,000 of money returnable early in the following week, but as the Bank have no means of making that fact known to the public, do you not consider that it is so important a fact that the giving them the other information without that has a tendency to mislead the public rather than to instruct them?—I do not think it has had that effect.

1640. Do you think that there would have been such general alarm in October last if the public had not seen that the reserve of the Bank had been so greatly reduced?—I think the alarm was aggravated by that knowledge

and though there may be an apparent inconsistency in my answer, I should explain it thus : that as a whole, speaking generally, it is beneficial and useful, and it is more useful as a general matter than it is injurious in a particular case ; if the Act be relaxed, then I think that gets over the latter point, or at least lessens the objection very materially.

As to the Changes in the Rate of Interest by the Bank.

1641. Will you be kind enough to state to the Committee what your opinion is as to the effect upon the money market of raising the rate of discounts at a period of panic and discredit, such as the country experienced in October last?—So far as the increase of the rate of discounts is warranted by the circumstances of the times, I am in favour of it ; but I am wholly against the artificial raising of the rate of interest, as was the case in this last autumn ; I think it was harmful ; and though it may have had some effect in righting the exchanges, yet it increased alarm, and thus did more harm than good.

1642. You think that the change was too violent, and therefore intended to increase the discredit and panic which existed?—It is my opinion that it had that effect, and that raising the rate of interest to the extent to which it was raised was beyond what the true state of things called for.

1643. You state that you are of opinion, that if the Bank had altered its course of action in August, 1846, the pressure in the April following would not have been severe ; by that, you wish the Committee to understand that the Bank should, in your opinion, have raised the rate of interest in the autumn of 1846?—I am of opinion that it would have been better if the Bank had raised their rate of interest earlier ; and I think the circumstances of the times called for it ; but I should have gone further ; it should not have been a mere raising of the rate of interest ; I would have gone upon a system of somewhat reducing the figures too.

1644. Do you happen to recollect what the rate of interest was in the money market in August and September, 1846?—I can only speak to a certain degree from guess : I do not think it was above 2 per cent. at that period.

1645. It appears by a return made by the Bank of England to this Committee, that in August, September, and October, 1846, the minimum rate of discount which they charged was $3\frac{1}{2}$ per cent. ; at that time they had upwards of £16,000,000 of treasure, and £9,000,000 of reserve, and the exchange on Paris was 25·75, do you think that in that state of things that minimum rate of $3\frac{1}{2}$ per cent. was too low a charge by the Bank of England?—That is a question which involves a great deal in the answer ; I really do not know that I can give a very specific answer to it, because it involves this question, the competition of the Bank with the money market ; taking it in the more general view of the Bank competing with the monied interest, my experience is adverse to it ; but I give my answer with great deference, because it is a question in which I am personally a good deal interested ; but I think it does work prejudicially to the public.

1646. Are you of opinion that the Bank can regulate their issues of notes to the public by the influx and efflux of gold into the country?—I think that in a large degree they can, but it must not be the only question that governs them.

1647. What other question should govern them?—I think the question would be the requirements of the public, and the state of things generally, and a variety of matters that may bear upon it, that one cannot specify upon an occasion like the present.

1648. Probably you have seen in the public returns, that the reserve of the Bank of England at this time is upwards of £10,000,000 ; do you consider that to be a larger reserve than necessary?—Beyond all question.

1649. Supposing that the Bank, in consequence of the state of the exchanges,

and the increase of bullion which they have recently had, should be desirous of employing £3,000,000 or £4,000,000 of their reserve, at what rate of interest do you think they could employ it upon good and sufficient security?—In the market in which I operate, they could not employ it at all. They might purchase Consols and Exchequer bills, and securities of that kind, at a high rate of premium, and by so much, invest their money; but the Bank notes so invested would not remain in the hands of the public, they would flow back to the Bank again in twenty-four hours.

1650. Then you cannot devise any means by which the Bank of England can keep their issue in a state of equilibrium?—It is impossible.

Advantage of removing the Restrictive Clauses of the Bank Act.

1651. Do you think, if there had been a discretion vested in the Bank of England, the same as there was prior to the passing of the Act of 1844, taking it for granted that they would exercise at such a period the same caution and discretion which has generally regulated their conduct, that in April and October last the pressure would have been considerably less upon the public than it was?—I think I have already answered that; it is my opinion that there would have been no particular pressure in April, and that the pressure and calamity of the autumn would have been considerably less?

1652. The exchanges in April having been in favour of this country with the whole world, with the exception of North America, would it not have been practicable for the Directors of the Bank of England to form a tolerably accurate estimate what the extent of the drain upon their treasure would be to the United States?—Admitting that there was no foreign drain except for the United States, I think that the Bank of England would be able, with their mercantile knowledge, in a very fair degree to measure the probable exports of bullion to the United States; I think so, inasmuch as the exportations of bullion to the United States are of a different character, and more easily to be ascertained than exportations of bullion to France, and countries so very nearly situated as the continental countries are.

1653. You have stated to the Committee the character and extent of the pressure which took place in London in October last; did you find a great demand for money from your various correspondents in different parts of the country; was an alarm beginning to be felt in consequence of a want of Bank notes, and were persons in the country who are in the habit of lodging cash with you, giving you notice to withdraw their cash?—There was a very general demand upon us for money which was deposited in our hands on the part of our country friends, in October last, from all parts of the country.

1654. Did they go beyond that, and signify to you that they should want you to advance them money?—In very many cases those who had deposits in our hands, not only drew out all their deposits, but actually took money from us; and it was a very general question put to us on the part of most people, whether we would supply them in case it was wanted.

1655. Do you consider that the calamities of the past year have been attended with very serious losses, irrespective of the parties who have actually failed. The question has reference to merchants and commercial men in the City of London?—I have no hesitation in saying, that the loss to the commercial community and the monied interest in 1847, is unprecedented in amount.

1656. Can you form any estimate of the loss sustained by the solvent mercantile houses in the City of London?—I could not venture upon such an opinion.

1657. But it must be very great in your estimation?—Very great indeed: I can only say, beyond all my previous experience.

1658. *Chairman.*] Greater than in 1825?—I think the loss in 1825 was nothing at all to be compared to it.

1659. *Mr. Alderman Thompson.*] Do you see any symptoms of returning prosperity?—I think the symptoms of returning prosperity are good; I have no apprehension with respect to returning prosperity myself.

1660. Upon what do you found that opinion?—I think that consumption is going on, and therefore trade must sooner or later supply that; and price is low, and therefore it is safe to deal in almost any article, and I think there is reason to hope that we shall experience a gradual and safe advancement on the favourable side; it may be checked by the harvest that is coming, if that should be unfavourable, or by political calamities if they arise.

1661. Is the amount of commercial paper now offered for discount, large?—Very limited.

1662. Is money abundant in London?—Money is superabundant, and it is very difficult to employ it.

1663. Is not that a symptom rather of stagnation in trade?—It is a symptom of a limitation of transactions at this time; but the question was, as to the symptoms for the future.

1664. The question referred to present circumstances?—The present circumstances are, as I have stated, a limitation of transaction and a great superabundance of money; but the prospective symptoms, I maintain, are good.

Overtrading and Accommodation Bills.

1665. *Mr. Thornely.*] What was the general character of the bills which were in circulation in the year 1847?—Experience has shown that a large proportion of them were of a very unsubstantial character.

1666. And a great proportion of them probably were either unpaid, or were obliged to be renewed when they became due?—A much larger per centage of the bills that fell due were unpaid than I ever before knew.

1667. Were there many renewals in the course of your experience?—Yes, there were a great many renewals.

1668. May it not happen, then, that the difficulties of last year were, to some extent, owing to this, not that there were too few bank notes to be had, but that there were too many bills, many of them accommodation bills, or otherwise of doubtful character?—It is quite clear that there was a great amount of bills of the nature alluded to, and that ought to have been put an end to.

1669. Do not the joint-stock banks in the country re-discount to a great extent in the London money-market?—Some of them do, and some of them have a great deal of cash in the London money-market; there is a great variety.

1670. Would you say that the joint-stock banks in the country have generally sufficient paid-up capital to conduct their business, or would it not be better that they should call for more money from their shareholders and re-discount less?—My apprehension is that the joint-stock banks in general have sufficient paid-up capital; I base my opinion upon this, that in all banking and money-dealing, if it not so much the amount of paid-up capital that is important, as the prudence of management; and so far as my experience has gone, I think very large paid-up capitals have quite as much led to imprudence of management as the contrary.

1671. Still the less the amount of paid-up capital, the greater would be the rate of dividend upon the capital?—That is quite clear.

Control of the Country Banks by the Bank of England advantageous.

1678. *Mr. Hume.*] Your opinion is, that the Act upon the whole has been injurious?—The act upon the whole has been injurious, in my opinion.

1679. But yet you say, that whilst you object to its restrictive power, you consider that it has been beneficial as regards country banks: you think that country bankers ought not to have perfect liberty to make what value they can of the property they have?—My opinion is, that as far as the country banking interest goes, the restrictive clause touching their issue has been sound; and that the effect of the restriction upon them is, that it takes the power of expansion or relaxation out of the hands of the country bankers; and I apprehend that they are a body in whom it ought not to rest, and that it is much better to rest in the hands of an independent body.

1680. Taking a single banking establishment, supposing you yourself were a banker, do you think that an Act of Parliament could point out to you how to regulate your transactions in banking better than you could do yourself?—Decidedly not; and I am of the judgment, that a country banker himself cannot regulate the actual amount of the circulating medium that may be needful in his own district, but that it is affected by circumstances out of his control. Then, if he is limited by law to issue his own notes only to a certain amount, and anything beyond that amount must be in notes of the Bank of England, that in fact puts the ultimate settlement of the relation of expansion or contraction in the hands of a body not immediately connected with the country banking interest; and I think it is best so left.

1681. Do you believe that any country banker can issue more bank notes for any period than the demand of commerce, or the circumstances of the country at the time require?—I am decidedly of the judgment that a country banker cannot issue bank notes to the extent of £10 beyond the actual requirements of the district in which his bank is situated.

1682. Then what necessity is there for any limitation by this Act?—I have endeavoured to explain that before. It is, that though the country banker cannot limit the amount of the circulating medium that his own particular district may call for, yet, if he is limited in the amount of his own notes, he necessarily then has recourse, for what is wanted beyond, to Bank of England notes, and by that arrangement it puts the controlling power of the national circulation as a whole in the hands of the Bank of England, and out of the hands of the country bankers; and I think it is a sound arrangement that it should be so.

1683. You think that the Bank of England is better able to take care of the transactions of the country banks, than the bankers themselves residing on the spot?—As a national question, I think the Bank of England are more able; but perhaps I may illustrate it by the city of Norwich, in the bank in which place I am particularly interested. If there be a high price of corn in Norfolk, and an active state of manufacture of that town, the circulation of our bank will, of course increase; being limited by law to a certain amount, for what is required beyond that, we have to apply to the Bank of England. Now, it may be very needful for that particular district of country to have such relief from the Bank of England, but still it must come under the control of the Court as a whole, looking at it in a national point of view; and it does appear to me more reasonable, taking it as a whole, looking at the country bankers as an aggregate, that their circulation should be regulated to a certain extent by the position of things nationally, rather than that every country banker should be able to issue just as many notes as his own particular district requires, without such national control.

1684. Confining the question, as you propose, to the case of Norwich, do you think it right that the farmers, or merchants, or persons carrying on business in Norwich should have their property limited in price and value by any restriction of the accommodation which otherwise would be given to them?—My apprehension is, that the transactions of the city of Norwich ought to come under the general control of the currency, nationally speaking, as a whole.

Refusal of Discount in April and October, 1847.

1731. Within your experience could good bills always find the means of discount during the pressure in April and in October 1847?—During these pressures there were certain days on which it was impossible to get bills discounted, and the holders of such bills were compelled to take the consequences of not getting them discounted.

1732. If that state of things were to last, could the trade of this country be carried on?—Certainly not; and for every day that it does last it does an infinity of harm.

1733. Did bankers' bills increase materially during the period of pressure?—Not very materially.

1734. Was there a positive dearth of bank notes?—Never a scarcity of bank notes; but the difficulty was to get hold of them.

1735. To what do you attribute that difficulty?—In a large degree to the alarm arising from the restrictive character of the Act of 1844.

1736. Under the circumstances in which we were placed in 1847, would you say that to three-fourths of the community there was a positive dearth of bank notes?—It is impossible to answer as to the proportions of the community, because of the large proportion that never touch a bank note at all, whose transactions are only in coin.

1737. But practically there was a lamentable dearth of the legal tender?—There was a superabundance of it, but it could not be had because of this panic and alarm, arising from the restrictive character of the Act. May I state why I know it to be so: at that time we had a circulating medium of £20,800,000, and yet there was great difficulty in knowing where to get £1,000; our circulating medium now is about £18,000,000, and a little more, and now we have a superabundance in every hole and corner, and we do not know how to use it, the alarm having ceased.

Fluctuations in the Rate of Interest.

1801. Are you at all aware to what extent the rate of discount in certain cases was increased; how high it ever went in the case of respectable houses in the last autumn?—It is a question not very easy to answer; I do not think the value of money rose beyond 10 per cent., but there were transactions in which much more interest was charged, but it would not be fair to refer those circumstances solely to the increase in the value of money; for instance, I may have had a bill of exchange offered me to discount, having five days to run, that five days may have gone over a particular point, and I would not part with my cheque, even for five days, without I got a profit upon it; that profit, however small, made a very high rate of interest for five days; it was not because the value of money was generally increased, but it was for a specific five days that was to be got over.

1802. Then would you say that the present system does not tend to produce a very uniform value of money?—Certainly not; the system under the Act of 1844 tends to greater variations in the rate of interest than if we had no such Act.

1803. You have stated that you approved of the management of the Bank before 1844; before that time they very seldom lowered their rate of discount below 4 per cent.; would you say that that was a prudent system?—My apprehension is, that it was a more judicious course never to lower below 4 per cent., but I give this opinion with deference; it is right that the Committee should know that it is a matter upon which I personally am interested; but my apprehension is, that it would be better for the Bank never to go below 4 per cent.

1804. If you have a great deal of interest upon this subject you have also a great deal of knowledge?—I have some knowledge.

1805. If the Bank is to have a minimum rate of discount, do you think it ought to have also a maximum rate of discount?—I rather lean to the negative upon the raising side.

1806. Do you think that the repeal of the Usury Laws has operated, taking all circumstances into consideration, for the benefit of traders large and small?—I have no doubt that the relaxation of the Usury Laws has operated beneficially to the trade of this country.

1807. You never knew the rate of interest so high as during the late pressure?—I never did; I never knew it so high as in the autumn of 1847.

1808. And you never knew the pressure so great?—No.

1809. Both those circumstances would very materially aggravate the pressure in trade?—Clearly; they affect the trading community very decidedly; injuriously.

HOUSE OF COMMONS, 29th February, 1848.

John Horsley Palmer, Esq., Examined.

1937. *Chairman.*] You are in the direction of the Bank of England?—I am.

1938. Will you have the goodness to state to the Committee what you consider to have been the state of trade at the commencement of 1847?—I think it was in a very good state.

1939. You think, generally speaking, trade was in a wholesome state?—Yes, I do.

1940. What is the state of the commercial classes now?—Generally speaking, there is a great destruction of credit, and very considerable distress even still, I believe, exists in the manufacturing districts; prices are very low, and great losses attend all importations.

His objections to the Bank Act.

1945. What is your opinion of the working of the Act of 1844?—I have not objected to the principle of that Act of forming the issue of notes upon £14,000,000 of securities, and the remainder upon gold and silver; but while entertaining an opinion in favour of that part of the Act, I have not been able to perceive the advantage of the separation of the accounts in the forms prescribed, and of their weekly publication. The latter, I believe, proved decidedly prejudicial during the year 1847, when the reserve in the banking department was greatly reduced. It further appears to me that other objections to the working of the Act were exhibited upon two different occasions during the past year; the first in April, when the reserve in the banking department was reduced from £5,600,000 to £3,000,000, which imposed upon the Bank the necessity of enforcing contraction, thereby endangering commercial credit, which might have been avoided, had the power of extending the issue at an advanced rate of interest beyond the £14,000,000 upon securities (if required) then existed; the bullion in the issue department, having been £9,300,000, and the foreign exchanges having shortly afterwards turned in favour of this country. The second period, which is the more material of the two, occurred in October last, during a time of great commercial distress, consequent upon the extensive failures which had occurred in August and the succeeding months; the general discredit then prevailing had been the cause of an abstraction of at least £5,000,000 or £6,000,000 of the circulating medium of coin and notes, to replace which, and to uphold the credit of solvent houses, a demand was made upon the Bank to an extent

which reduced the reserve, towards the end of October, to about £2,000,000, including London and the branches, by which the demand continuing without the power of extension beyond £14,000,000 upon securities, the Bank itself was placed in danger, and the commercial credit of the whole country nearly paralyzed; both which would have been obviated had the power of extension beyond £14,000,000 then existed on the part of the Bank, and which, if required, could have been acted upon without advancing the rate of interest in the then state of the foreign exchange; deprived of that power, the Bank endeavoured to check the growing demand by advancing the rate of interest in September and October to 5½, 6, 7, and even 9 per cent. per annum, but which tended to an increase of the demand instead of a diminution, while it aggravated the distress in the manufacturing districts during a period when the foreign exchanges were in favour of the country, and when it was reasonable to expect a moderate rate of interest instead of the high rates then charged by the Bank, which governed the extravagant rates demanded in the money-market; such has been the prominent objections to the working of the Act during the past year. It may further be submitted whether the management of the banking department by repeated fluctuations in the rate of interest, particularly in the years 1844, 1845, and 1846, thereby attempting to act upon the same principle which governs all private banking establishments, is not prejudicial to the public interest, and without benefit to the Bank. The last objection I have to offer to the Act is the limitation of the quantity of silver bullion permitted to be held in the issue department; seeing that silver is equally available with gold for foreign payment, a portion of that restriction might with perfect safety be withdrawn, and thereby greater facilities afforded in meeting an unfavourable foreign exchange.

Description of the system of management of the Bank adopted by the Directors.

1977. *Chairman.*] From your experience of the constitution of the Bank, do you think that it is capable of improvement?—I do not see in what form an improvement could be effected.

1978. You think that its present constitution is as good as it is possible to be?—That is my opinion.

1979. You think it commands the confidence of the commercial body?—Yes, I think so.

1980. What power have the Governor and the Deputy-governor practically?—They have no power beyond that of acting from week to week between the court days; on certain occasions there is a discretion exercised by them, which being reported at the ensuing court-day, is either confirmed or disapproved, as the case may be.

1981. What is the Treasury Committee at the Bank?—It consists of all gentlemen who have passed through the office of Governor, with, generally speaking, one other individual, who is considered the next to be recommended to succeed the Deputy-governor.

1982. The body of directors meet once a week?—Yes.

1983. What is the distinction between the Treasury Committee and the general body of directors?—There is no other distinction but this; the former is the senior committee of the house.

1984. Is there any distinction in point of management?—They have no power of managing but through the Court; they may recommend measures to the Court, but they have no power of action; they have upon one or two occasions, within my recollection, taken a responsibility upon themselves in adopting measures which have been afterwards sanctioned by the Court; upon a great emergency, in the year 1832, before I left the chair, and before the adverse foreign exchange terminated, I think the committee authorized a negotiation

upon Paris, and the transmission of about £1,000,000 of silver, which I do not think, as far as my memory serves me, came before the Court until after the negotiation had been concluded; I think again, in 1836 or 1837, through the medium of the committee, private credit was used upon Paris through some merchant's house in London, either Rothchild's or some other house.

1985. Are the committee of the treasury in constant sitting?—They sit only once a week, unless specially called together by the Governor.

1986. Are they in the habit of being called together?—Not often.

1987. During the difficulties of the last year, were they in constant sitting?—No; they may have been called together three or four times upon some special application for assistance; when the Governor and Deputy-governor took upon themselves the responsibility of granting that assistance, they afterwards obtained the concurrence of the committee of the treasury and the Court of Directors.

1988. Then, from one week to the other, the whole discretion rests upon the Governor and the Deputy-governor?—It does, unless matters arising are of sufficient importance to lead the Governor to call a committee of the treasury together.

1989. Which it appears he rarely does?—He has done so during the last period of difficulty.

1990. But it is not a usual transaction?—It is not the general course.

1991. Consequently, generally speaking, it rests upon the discretion of the Governor and the Deputy-governor?—The Governor and Deputy-governor seldom, if ever, take upon themselves the power of acting without the concurrence of the committee of the treasury, though there have been occasions when they have so acted in advancing the rate of interest; during the last period of distress, they have advanced the rate upon one or two occasions without the immediate concurrence of the committee of the treasury or of the Court at the moment, but it was only for a few days.

1992. Are the Committee to understand that the Governor and Deputy-governor, without communication with either the committee of the treasury or the Court of Directors, have the power of advancing the rate of interest?—They have from court-day to court-day, under special circumstances.

1993. Subject to the approbation afterwards of the Court?—Certainly.

1994. Practically, are the Governor and Deputy-governor in the habit of frequently communicating with the members of the committee of the treasury?—Yes.

1995. Mr. Glyn.] Then everything is finally determined by the Court itself?—Yes; except between the court-days.

1996. The action of the Governor and Deputy-governor is brought before the Court on the next court-day?—Yes.

1997. And the Court either confirm or negative what has been done?—They do.

1998. Then the whole control, in fact, is with the Court of Directors?—Yes.

1999. Mr. Alderman Thompson.] And the Governor and Deputy-governor have an opportunity of almost daily communications with the members of the committee of the treasury and the members of the Court?—Certainly.

2000. Is it not the practice of almost every director, if he is in London, to be in the Bank of England during some portion of the day?—Generally speaking, it is so.

2001. You have described the functions of the committee of the treasury, is not the Bank managed in its several departments, with reference to details, by committees formed of members of the Court of Directors, and are not the proceedings of the committees reported to the Court of Directors, who hold their meetings weekly, for approval?—I think the proceedings of the committees of detail are not reported every week.

2002. In the Bank of England, as in other great establishments, the business is divided into departments, there is a chairman for each department, and a certain number of Directors, who are appointed to co-operate with him in the supervision of the particular department as often as occasion arises, when the chairman directs the committee to be summoned, and the business done by that committee is reported at the next meeting?—If there is any important business upon which the proceedings of the committee require to be confirmed, it is reported; but if very trifling, it is not reported.

2003. Every act of the Governor, or the committee of the directors, is reported to the general Court, at the next meeting?—Certainly, if deemed important.

2004. And you consider, therefore, that the act of the Governor and the Deputy-governor is the act of the Court of Directors?—Certainly.

2005. Do you think that in a time of pressure and panic, it is a protection to the Bank of England to be able to raise to a great extent, say to 8 or 9 per cent., the rate of interest?—I think that it is extremely prejudicial to commerce, and that it is totally uncalled for when the exchanges are in favour of this country, which they must be at those times of commercial pressure.

2006. From that answer are the Committee to collect that you thought it unnecessary to raise the rate of interest in October last to 8 per cent.?—Certainly.

Regulation of the Foreign Exchanges.

2023. *Chairman.*] Are you in favour of the Bank of England holding foreign stocks?—Except that there is greater risk of fluctuation in foreign stocks, a benefit would be derived from the Bank holding foreign stocks and making foreign payments by selling them, instead of sending over bullion.

2024. But the times when the Bank would want to make those stocks available might be times when there was a fall in the value of those foreign stocks?—That is my great objection to the Bank holding foreign stocks; the want of security in them.

2047. *Mr. Wilson.*] With regard to the negotiation which you suggest of the Bank of England holding foreign securities, and the facility that that would afford for making foreign payments by arrangements with banks on the continent, are you not of opinion that that is partly done now by the exchange merchants, who are constantly upon the alert to see how they can purchase securities under favourable circumstances, and do you think that the Bank of England could do that better than exchange merchants, who devote their whole attention to it?—I never meant to suggest the propriety of the Bank of England holding foreign securities; that is not a measure that I should advocate, unless the credit of all banks were equal.

The Bank Act of 1844 the Cause of the Crisis.

2055. I understand you to say that the evils from which we suffered last year were mainly attributable to the export of bullion for the payment of corn?—I do not believe that any evil would have been suffered last year, for the exchanges turned at the end of April, if it had not been for the provisions of the Act of 1844; I believe, but for that, no evil whatever would have been sustained by commerce.

2056. Then you attribute all the evils to the Act of 1844?—I attribute them to the provisions of that Act which prevented our gaining time to meet the demand.

2079. Do you think that there would have been any run upon the Bank if the banking department had stopped?—It is very improbable that the banking department should have stopped; there are some deposits with the Bank which cannot be reduced; the deposits that I refer to are the deposits of

the Exchequer, private deposits, and bank-post bills; so long as the credit of the Bank is preserved, none of these deposits are likely to be materially affected, and they constitute the largest portion of the Bank deposits.

2080. With reference to the letter that the Government issued to the Bank, are you of opinion that it was issued early enough?—No.

2081. At what time, in your opinion, ought that letter to have been issued?—The great objection I have to the Act is to the restrictive clause existing at any time.

2082. You would entirely throw that clause aside?—Yes, subject to the control of Parliament.

2083. But, under the Act, do you think that they could have relaxed the rule more safely than as it was relaxed?—There would have been no occasion to relax the Act if the restriction had not existed; in fact the Bank never exceeded the reserve; it was the apprehension on the part of the public of a limitation of the power of the Bank that created the alarm itself.

Convertible Securities held by the Bank.

Mr. Palmer thinks that Exchequer bills are a better security to hold than Consols. He says, "I have always found, as far as my observation extended, that it was better to hold a certain amount of Exchequer bills in preference to holding stock; but that is not the opinion of the Court generally; they consider it preferable to hold stock rather than Exchequer bills."

Rate of Interest.

2102. In the practical operations of the Bank, do you think it undesirable to vary frequently the rate of interest?—I think the rate of interest should never go below a certain point, 4 per cent.

Effect of the Bank screw on Commerce.

2116. Mr. Cayley.] The capital we get back upon the rectification of the exchanges affords no compensation for the capital which the country loses during the operation?—None; you have the strongest instance of that in the months of April and October of last year; in the month of April, in consequence of the stringent measures of the Bank, a million and a half of bullion was forced into the country from credit or capital, within a month or six weeks; in October, from the violence of the contraction in November and December; and what is now evidenced in India is the effect of that discredit, and of capital being forced into the country; the East India Company are now bringing £1,000,000 of silver from India, which, I believe, is intimately connected with the depressed state of trade between India and England.

2117. And the pressure produces forced sales?—It stops credit, and the British merchant sells his goods for the purpose of carrying on his payments, and brings back his capital at an earlier period than it would come in the ordinary course of trade.

The Danger of the Bank in October.

2122. Mr. Spooner.] Was any intimation given to the Bank on the part of bankers having deposits in their hands in the month of October, that if the pressure continued, those deposits would be required?—Not that I am aware of, but the balances would probably have been required to a certain extent.

2123. At that time the reserve in the hands of the Bank was reduced to somewhere about £1,200,000?—Before the Government letter came down we had notes and coin together amounting to £2,000,000 in London and the country.

2124. I think the private deposits of that time amounted to £5,000,000

or £6,000,000?—On the 23rd of October the private deposits were nine millions and a half.

2125. At that time what was the reserve of notes and bullion in the hands of the Bank?—Two millions.

2126. Can you state what was the amount of bankers' balances at that time?—One million six hundred thousand pounds.

2127. In that state of the reserve and deposits, do you still hold the opinion that there was no danger of the deposits being so drawn out of the Bank as to absorb all the notes and all the bullion which they had in their hands?—The reserve in London would not exceed £1,000,000; therefore I conceive that it was quite practicable for the bankers alone to have drawn out that reserve.

2128. Supposing notes came in to you for payment, after that you must have gone with those notes to the Bank of Issue?—We should have gone to the stock market, and endeavoured to have sold stock at all hazards.

2129. Do you think that under those circumstances any parties would have been found to purchase the stock?—My own opinion is that we should never have succeeded in selling it; but I believe the Governor of the Bank is of a different opinion; he is of opinion that we might have effected a sale. The question has been put to me in another place, whether I thought it practicable that £2,000,000 could have been sold at that time, and to that question I gave an answer, that I thought it could not, but that is a matter of opinion.

2130. If you had failed in your attempt to sell, what would have been the result?—If we could have effected a sale at all, the effect would have been a fall of stock to 60 or 65.

2131. But with regard to the other alternative, if you could not have effected a sale, what would have been the result?—The result would have been that we should have had no notes in the banking department.

2132. Mr. Glyn.] Do not you think that, considering the relative position of the private banks of London and the Bank of England, the private banks had a right to expect that if the pressure from the country had continued, and they had been borne upon by their country connexions, the Bank of England would have been in a situation to have given them the accommodation of discounts which they received in 1825?—Certainly.

2133. But the Bank was not in that situation in 1847?—It was not.

2134. Mr. Hume.] Was it the operation of the Act of 1844 which prevented the Bank being in that situation?—Certainly.

As to a Double Standard.

2139. Mr. Spooner.] What is your opinion of the propriety of making silver a joint standard with gold?—That is a very large question; I do not see the benefit of it; I think the end would be answered if the Bank were allowed to keep a certain quantity of silver for foreign payments, and if that is made available at ordinary periods, I think it saves the gold, and so far will approximate to a double standard.

HOUSE OF COMMONS, MARCH 3rd, 1848.

Robert C. L. Bevan, Esq., Examined.

2239. Chairman.] You are a banker in London?—I am.

2240. How long have you been in business?—Twenty years.

2241. Do you recollect the difficulty that took place in February, 1846, in consequence of the payments by the railways?—I do.

2242. Will you have the goodness to state to the Committee what the facts were at that time?—Great apprehension took place lest there should not

be found sufficient money to pay the railway deposits with the Bank of England that were known to be so largely due; and there did seem to be a great difficulty; and we wondered very much why some measure was not taken to give relief at the time, and at last it was so done; and then the whole thing went off very quietly and easily.

2243. To what do you attribute the difficulty at that time?—The knowledge that the Bank could not exceed a certain amount; that it is tied down by certain restrictions under the Act of 1844.

2249. With respect to the difficulties of 1847, to what do you attribute those difficulties?—I should say partly to over-trading, and partly to the knowledge of the limit that was imposed upon the Bank.

Conduct of the Government.

2271. *Chairman.*] Do you consider that it would have been safe, on the part of the Government, to have issued the letter before they did?—I think it would have been better if they had issued it a fortnight sooner; but if the Government had not given such decided negatives as they did to parties seeking for relaxation of the limit, but had rather given the public to understand that, in case of sufficient emergency, they would not shrink from the responsibility of suspending the Act, I think it is most probable they would not have been obliged to do so at last.

2272. Are you of opinion that the publication of the Bank accounts had any bad effect during the difficulties?—It is impossible to tell how far the public would have supposed that there was something worse, if they had not seen the real state of the case; yet they could hardly have expected anything much worse.

2273. Have you formed any opinion as to whether any change should be made with reference to the publication of the accounts?—I should not wish a change to be made in that.

Objection to the mode of choosing the Bank Directors.

2289. *Chairman.*] Would you consider that any alteration in the constitution and management of the Bank would be advantageous?—Yes, I think there should be some alteration.

2290. In what way?—I think that it is an evil that they should be solely chosen from one class of persons, viz., the largest and most extensive merchants of London; a class who, of all others, are most liable to get into misfortune. In the twenty years that I have been in business, very many of the largest merchants have failed: very many of those who were the principal merchants twenty years ago, have either failed or dwindled away now. Whereas, if you take the ten principal traders, or the ten principal bankers, or perhaps the ten principal shopkeepers in London, twenty years ago, you will find that they still remain. I scarcely know an instance of a principal banker, who was so twenty years ago, that has not held his position. Therefore, I think it a mistake that all the Bank Directors should be chosen from this one class of men. I believe they choose the best men they can get, because they choose the principal merchants; but the majority of them have one interest, which is, to make money cheap, and to do the best they can for the proprietors of Bank stock.

The Country Banks and the Bank Act.

2294. As to the circulation of the country banks, what is your opinion of the operation of the Act of 1844 on that point; has it worked well?—I am not sufficiently acquainted with country banking to give evidence upon that point.

2295. Do your correspondents issue notes?—Some of them do, and some of them do not.

2296. Have you any means of forming a judgment whether the Act of 1844 has produced prudence in their transactions?—We have never seen any imprudence on the part of any of our country banks.

2297. You have no means of forming an opinion upon that point?—No.

2298. Have many of them complained of the operation of the Act upon them?—I think some of them have tried to evade it, by issuing short-dated bills to take the place of notes.

2299. Do you suppose that has gone to any extent?—One or two have done it rather largely, but not many.

Rate of Interest.

2332. Mr. Alderman Thompson.] Is not it an advantage to a banker to keep the rate of interest as high as he can?—The prevalence of an exorbitant rate of interest is not for his ultimate advantage, because that which injures trade injures him eventually, though, of course, he keeps his charges for discount as high as the market will justify.

Privileges of the Bank of England should be maintained.

2411. Mr. Hume.] What, in your opinion, would be the effect, if the privileges which the Bank of England now enjoy were removed, and other banking establishments were allowed to act in London as they do in Edinburgh, without there being any peculiar privilege or monopoly whatever?—I think it would be a very dangerous experiment.

2412. Do you think it would be dangerous to abolish the privileges of the monopoly which the Bank of England enjoys with respect to circulation and other matters, by having their notes a legal tender, and having certain exclusive privileges within a circuit of so many miles?—I think it would be a great pity to introduce any parties upon the same footing as the Bank of England is; I think that it is best as it is, with respect to the Bank of England being our one great national bank.

2413. The monopoly they have, you think, should continue?—Yes.

2414. Although you admit that they have the power of raising or lowering the value of property as they may think proper to advertise their rate of discounts?—Yes.

Joshua Bates, Esq., Examined.

2448. Chairman.] You are a partner in the house of Barings?—I am.

2449. How long have you been in business in London?—About thirty years.

2450. Will you have the goodness to tell the Committee what you consider the state of trade was in 1846?—The state of trade generally was very prosperous; very active; everything was selling, and merchants were making good profits.

2451. What do you consider to be the present state of things in the City?—Quite the reverse from what it was in 1846.

2452. During your recollection of business, have you ever seen a time when trade has been in a worse condition than it has been during the present year?—Never; nor do I recollect that I ever saw a time when the prospects were so alarming as at present.

2453. Do you remember any time in which the commercial interest has gone through more difficulties than it has done during the last year?—No; I do not recollect anything to be compared to it; I was here in 1825, but I was not sufficiently engaged in business to be able to judge.

Cause of the Crisis in April.

2463. Will you have the goodness to state what you consider to have been the immediate cause of the difficulties in April, 1847?—The panic of April, I conceive, was brought on by the Bank being called upon to advance heavily on deficiency bills; the Bank authorities could have done this without producing a panic, but for the necessity of publication, which would have shown the reserve of notes to be almost nothing; that is my view of it; I cannot say that I am correct; but it is believed that their loans would have come in, in the course of two or three days; and, after all, the advances to the Government do not go out of the Bank, at least not immediately; all would have gone right but for the necessity of publication; the Bank was thus compelled to borrow on the Stock Exchange, and stop suddenly its advances on securities; this gave the first general intimation to the commercial community of the altered power of the Bank, and the panic ensued; it would have been entirely prevented, however, had the Chancellor of the Exchequer allowed the contractors of the loan the usual privilege of paying up under discount; this he emphatically refused, saying, "that he only wanted the loan as the instalments fell due."

2464. How would that have obviated the difficulty?—Of course, when persons take a loan, they prepare for it by selling stock; if they had been allowed to pay up on discount, they would only have had to deliver stock, and to get the money; it would have gone directly into the Treasury as fast as it could be turned over, and there would have been no want of funds on the part of the Chancellor of the Exchequer.

Causes of the Commercial Distress of 1847.

2467. To what causes do you attribute the difficulties of the country in 1847?—I think it was a combination of causes; the alterations in the tariff, allowing the importation of so many articles free of duty, acted upon by an immense internal expenditure, stimulating importations, to which may be added the failure of the potato crop in Ireland; these were all aggravated by the stringent clauses of the Bank charter.

2468. Do you believe, then, that if there had been no failure of the potato crop in Ireland, still the year 1847 would have been a year of difficulty?—I do not think it would; if the corn law had been in force, I do not see how it could have occurred; because, however great the internal expenditure stimulating consumption, if it was in home-grown corn the price would rise, and the country would receive all the advantage; but when it goes to foreigners, it entirely alters the case.

2469. Do you consider that even if the harvest of 1846 had been a good harvest, yet if the commercial policy had been followed which has been followed, and the corn laws had been repealed, the country would have experienced difficulty?—I think it would; I have no doubt of that; I always considered that the great alterations made in the tariff must lead to a commercial convulsion sooner or later; but it has been hastened certainly by the failure of the potato crop, and by the enormous internal expenditure.

2470. Do you attribute much of the difficulties to the railway expenditure?—Undoubtedly, to the railway expenditure, acting upon the free importation of various articles.

2471. How has that acted so as to produce any of the difficulties of 1847?—It has acted to augment the importations, and thus, by affecting the balance of trade, it has caused the exportation of gold, the contraction of the currency, and all the distress which has followed.

2472. It has, in your opinion, aggravated the evil which would otherwise have arisen from the tariff being reduced?—It has accelerated it; it has produced that in 1847 which would have come gradually perhaps in 1849.

2473. You have stated that you thought that the operation of the Act of 1844 has aggravated the difficulties; will you have the goodness to point out to the Committee in what way it has acted?—It has acted in this way; I think the commercial public were not aware, although perhaps they should have been, that the power of the Bank by this Act was very much reduced; and as I remarked in a previous answer, it was not till April, 1847, that there was what I should call public notice that the power of the Bank was limited; the public had never seen anything like the Bank going to borrow, and then every one said, "The Bank has no power," and began to examine more closely, and fright ensued; but it was very soon allayed then, because there was no real cause of panic at that time.

2474. Do you believe that the pressure in April, 1847, would have arisen, supposing that the Act of 1844 had not been in operation?—It would not, in my opinion, have arisen but for the publication clause; the Bank would have given accommodation without any difficulty.

2475. You are against the publication of the accounts of the Bank?—I think that in the present form it operates injuriously.

2476. You think it is injurious to the general interests of trade?—I think that those out of doors draw improper inferences from it; that the publication might, for example, show a very small amount of notes in the reserve, while the directors of the Bank might be quite certain that there was enough.

2477. Then would you have no publication of the accounts of the Bank?—I suppose now the public have become used to it; it is necessary to have some publication; but I think that once in three months is enough.

Causes of the Failures in the Corn Trade, &c.

2482. A great number of mercantile houses failed, but solvent houses that continued their business experienced very great losses did they not?—Undoubtedly, there have been very great losses to those who have not failed, but to many of those who have failed the losses were very great; I think you may classify the failures.

2483. In what way?—I think there were some who ought to have failed, and some who were ruined by Act of Parliament, and some who failed by reason of the crisis.

2484. Those who ought to have failed, had over-traded beyond their means?—Yes, they had not sufficient means; and that will be the case always, to a certain extent, in every community.

2485. What do you mean by failing by Act of Parliament?—I refer to those who had sugar estates; they were ruined by the Sugar Bill.

2486. You mean by the change of the law with regard to the introduction of sugar?—Yes; then the people engaged in the importation of corn were ruined by Government, I think; in the first place, in 1845, when there was a want of corn, it was ordered secretly to be bought; there was no delusion anywhere, and a small quantity sufficed; but in 1846, the Government, no doubt from the best motive, thought it was improper to interfere with commerce, and in order not to interfere with it, they ruined it; they bought here, which raised the prices very much; they bought secretly, I suppose; the corn-factors, taking this for a natural demand, sent orders in every direction and when they got their corn over they found that they were selling in competition with the Government, and the very high prices were in part produced by the Government purchases. I examined several of the corn-factors' estates, and they did not appear to me to have over-traded. I know two, more particularly, where there was a capital of £60,000, and it did not appear that they had bought more than £120,000 or £130,000 of corn; they were utterly ruined from the importation being so great; in consequence of the exaggerated notion of the

want there was for corn here ; and the raising of the prices by the Government purchasing at home, contributed very much to delude the corn-dealers ; but I think, in general, with reference to the bankruptcies, it will be found on examination that the dividends are much greater than usual, and there are fewer instances of dishonourable conduct, and that most of the bankrupts have wound up their estates under inspection, which shows what the commercial community think of them ; and I think it is creditable to them that the dividends are so large, many paying in full.

2487. Do you consider that there was any considerable over-trading in the year 1846?—That the country over-traded is very clear, but that commercial men individually over-traded would seem not to be the case, for there was no very large stock of goods on hand ; on the contrary, the stock of goods was rather small, and I suppose over-trading means getting more goods than one can sell ; on the contrary, everything sold very briskly.

2488. Will you state what you mean by the country over-trading?—A large amount of goods was brought into this country, which the great internal expenditure enabled this country to consume ; and, in order to pay for those goods abroad, a large exportation of gold was required ; what I mean to say is, that there was more brought into the country than the country could conveniently pay for.

2489. What do you consider to be the prospects of trade for the year coming?—I consider them to be very gloomy indeed in every way.

2490. What do you consider the prospects of trade with America?—I am led to suppose that the Americans will take fewer goods this year than they took in the last year ; indeed they are rather pinched for money there, owing to the Mexican war ?

As to the amount of Silver held by the Bank.

2500. *Chairman.*] Will you have the goodness to state your opinion with regard to silver ; do you think that any alteration should be made as to the amount of notes that may be issued on silver?—I think that that should be left also to the discretion of the Directors of the Bank ; it works now very absurdly.

2501. Will you point out how it works now!—Supposing to-day the Bank have its proportion of gold and silver, according to the Act, and somebody should call for 400,000 sovereigns, the Bank has to go out immediately and sell £100,000 of silver, to make itself right according to the law.

2502. *Mr. Alderman Thompson.*] Or they must export bullion?—Yes ; you may export bullion if you like ; but at any rate, you take in so many notes ; therefore it counteracts the other part of the Act ; it reduces the notes instead of £400,000, by 500,000.

2503. *Chairman.*] Do I understand you to say that you would make any alteration in regard to the convertibility of the note ; do you mean that you would give silver instead of gold for the note?—By no means ; the only convenience is, that silver answers every purpose to supply foreign demand for coin that gold does ; it is better, and therefore it matters not to the Bank whether it has a third or half in silver.

2504. Without altering at all the convertibility of the note into gold, you would allow the Bank to keep either gold or silver in its coffers?—Yes ; I would leave it to the discretion of the Directors.

2505. How would you make the return in that case ; would you make the return distinguishing gold and silver, or would you put them together?—I should put them together, for it is the same in fact ; and if you were to return them separately, and the gold were to run rather low, the public would perhaps take alarm.

Injurious effect of the Bank Act.

2511. Mr. Alderman *Thompson*.] Is it your opinion that but for the restrictive enactments in the Act of 1844, the Bank might have given all requisite relief to the commercial interests in the year 1847, without occasioning that great alarm and that want of confidence and great scarcity of money which were experienced by the commercial community?—I think they might; I think it will be seen that the exchanges, after the beginning of May, were such as would have restored confidence, but for the conviction on the minds of commercial men of the limited power of the Bank.

2512. Do you think that the plan of raising the rate of discount, as the reserve in the banking department of the Bank of England decreases, is a certain and safe mode of protecting the amount of that reserve from further reduction?—I think not; I think there may be such distress as to compel men to pay even 50 per cent. for the sake of getting money to save their credit.

2513. During the month of October, does not your experience enable you to say that the higher the rate of interest was raised, the greater became the discredit, panic, and alarm throughout the commercial world, and the greater the difficulty of procuring bank notes at any rate of interest?—Certainly, it was so.

2514. Therefore, probably that is one reason why you think it unwise for the Bank of England to publish the weekly statements of the reserves on the banking account, because it may lead to the publishing of a small reserve, when the Directors themselves know that within a few days they will receive a considerable accession to that reserve by the repayment of temporary loans, and other means?—Precisely.

The Exchanges with America.

2562. Mr *Cayley*.] Can you give the Committee any statement of the rates of exchange in London, ruling in New York, from January 5th to 29th October, 1847?—Here is a list of them.

RATE OF EXCHANGE at New York on London at the following periods, 1847.

January	5	..	..	105½ a' 105½	May	14	..	..	106½ a' 107½
	20	..	..	105½ a' 106		30	..	..	107½ a' 107½
	30	..	..	106 a' 106½	June	14	..	..	105½ a' 106½
February	8	..	..	105½ a' 106		29	..	..	106 a' 106½
	12	..	..	105½ a' 106	July	7	..	..	106½ a' 106½
	24	..	..	105½ a' 106		14	..	..	106½ a' 106½
	27	..	..	105 a' 106		31	..	..	105½ a' 106½
March	2	..	..	105 a' 105½	August	6	..	..	106 a' 106½
	5	..	..	105 a' 105½		13	..	..	106½ a' 106½
	12	..	..	104 a' 104½		27	..	..	106 a' 106½
	31	..	..	134½ a' 105	Sept.	14	..	..	108½ a' 109
April	7	..	..	104½ a' 105		29	..	..	108½ a' 109
	15	..	..	105 a' 105½	October	6	..	..	109 a' 109½
	16	..	..	105½ a' 106		14	..	..	109 a' 109½
	29	..	..	106½		29	..	..	109 a' 109½

2563. At what rate of exchange in New York is there a profit upon the shipment of gold from this country?—The exchange at 106½ is at par, taking ordinary charges.

2564. And the other way, sovereigns from New York at 109½, bills at 60 days' sight in both cases?—

[*The Witness delivered in the Paper, which is as follows:*]

Sovereigns, from London to New York, average weight, 5 dwts. 2½ grs., sold at 94 6-10ths cents. per dwt. To cover cost, charges, and loss of interest, remittances must be made from New York at an exchange under 106½, at 60 days' sight.

Sovereigns, from New York to London. To cover costs and charges bills must be drawn at New York on London *above* 109½, at 60 days' sight.

Estimating gold at the Mint price here (77/10½), and silver at 5/.

Par with Paris, in gold, is 25.22; and in silver, 25.57.

Par with Hamburg, 13.10½.

Proposed Regulation of the Foreign Exchanges.

2572. Mr. Cayley.] Has it ever occurred to you whether there might be any substitute for the export of gold in settling the balance of trade? In answer to that question I have some observations which were put down last April, and which I have brought here to refresh my memory. I should say in answer to that, that the operations of commerce, both foreign and domestic, naturally regulate themselves, and it seems best to let them alone; if there is a redundant currency in any country, prices naturally rise, sooner or later, beyond the level of other markets; importation is encouraged and exportation is checked; thereby the balance of trade becomes unfavourable, gold goes out, the currency is contracted; prices fall, whereby importation is checked and exports are promoted; this seems all natural, and I see no reason to interfere with it by any legislative enactment; but when crops fail in a moment of quiet in commercial affairs, when the stocks of goods are small, indicating that prices had not been acted upon by the redundant currency, so as to stimulate imports too far, the balance of trade is disturbed by the want of corn, which want requires to be supplied as quickly as possible; therefore gold must go to pay for it, the currency becomes contracted, and prices fall. This was not desirable in April last with regard to the particular import, that was the cause of the difficulty; we wanted corn as quickly as possible, and as we could not force suddenly on foreigners more goods than their markets have been accustomed to take, payment must be made in gold, and by this visitation of Providence, the currency becomes contracted, prices of all commodities fall below the prices of other markets, and the very article of which we stood so much in need was forced into other markets; a considerable exportation of corn having taken place in the month of April last year, while it was very generally believed that we had not enough corn to last till harvest; it appears to me, therefore, that the failure of corn crops should be treated separately from the ordinary evolutions of commerce, that the same rule is not applicable to the operations of commerce in other merchandize and in corn. It is difficult to estimate the losses occasioned by a money crisis resulting from a failure of crop; but supposing that the amount of goods, raw and manufactured, on hand and in the course of manufacture, may be £100,000,000, and that imports are ordered upon the supposition that the state of prices may be £30,000,000 more, you have £130,000,000 on which there may be a depreciation of at least 20 per cent., caused perhaps by the failure of corn to the extent of 5 or 7 millions.

2579. Has it ever occurred to you, that there might be some operation of credit adopted, in order to assist us to settle the balance of trade?—In the case of a corn failure, it has struck me that there ought to be some power in the Government to create some sort of stock that might be sold abroad, which should be redeemable at the end of one, two, or three years; but then the question comes, supposing the next crop fails, what are you to do? But still I think it is worth trying.

2580. Would that have the effect of diminishing the export of gold?—That would check it altogether, if you could measure the amount of deficiency, and

say that it would require £5,000,000 or £6,000,000 to make it good, and create stock to meet that.

2581. That would tend to diminish the evils to commerce, arising from the export of bullion?—If you could, by any process, throw that deficiency over two or three years, the commerce of the country would receive no check, it would go on as before.

2614. *Mr. Wilson.*] You spoke about the creation of stock for the purpose of transmitting money abroad, in the event of an accidental drain of gold, or an accidental turn of exchanges caused by a bad harvest; have you considered what the means would be of disposing of such securities in the market abroad at such a time?—I have considered that, and I think that the securities must bear such an interest as to tempt foreigners to take them? for instance, supposing the failure of the crop to require £4,000,000 or £5,000,000, in place of having the whole commerce of the country disturbed, let the Government create bonds payable in one, two, or three years, which should bear an interest of 7 per cent., if the common rate of interest in the foreign market is 6 per cent., they should sell, and of course would correct the exchange to that extent.

2615. Are you of opinion that at such a time, in the United States or in Russia, from which we import the chief part of our grain, the public would have a sufficient quantity of spare capital to invest in such bonds?—It is only for a short time that you would want the money, and you must be willing to pay a high rate of interest for one, two, or three years, and you must fix such a rate of interest as to tempt people to take them; it is a sacrifice, but the sacrifice is very little compared with the sacrifice which would be made by disturbing all the relations of commerce.

2616. Would you propose that they should be Government bonds?—I think the Bank of England might issue them.

2617. By what means would you propose that the public should purchase those bonds in order to get hold of the gold?—Parties importing corn would draw bills, and the party selling the bonds would buy their bills, and counteract the effect of their drafts upon this country, otherwise the bills are drawn there in such quantities as to lower the exchange, and cause people to send the gold out of this country.

2618. The Government would incur a liability by issuing those bonds, but that liability would be, in fact, incurred on account of private individuals importing the grain; how would you arrange between the private individuals who import the grain and the Government who issue the bonds?—The Government would have nothing to do with those individuals; take New York for instance; those individuals would go to New York to buy flour, and the Government agent would also go there to sell the bonds, and the Government would always keep the money.

2619. How would that enable the public to pay for the grain that was imported?—The parties importing that grain would first dispose of their bills; we will, for argument's sake, suppose that those bills were bought by the agent of Government, and paid here when the grain is sold.

2620. But some difficulty appears to exist as regards the settlement of it?—The way in which it could be managed would be this; I, as the agent of Government, would go to New York and borrow money, issue bonds to the extent of £5,000,000, and take bills on London to the extent of £5,000,000 with that money, and a man who wanted to buy corn would go there and draw bills for £5,000,000, if those bills were paid which the corn represents, and I, as the Government agent, should get my money.

2621. But the British importers are the parties who have to pay the money here?—Yes; but in two or three years more the Government will have to return it to meet the bonds at maturity,

2622. Am I to suppose that the Government are to give the importers of corn credit for two or three years?—No; the Government has nothing to do with them; the object is simply to settle the balance.

2623. You must have some means of transferring the money from the Government here to the purchasers?—That will be done in the ordinary evolutions of trade; the Government borrowing the amount they want, take bills; they perhaps take the very bills that are drawn for the corn, or at any rate they take that amount of bills on London; by taking that amount of bills they prevent the exchange going so low as to cause a large exportation of gold from this country.

2624. But how do you relieve the public who buy corn, by means of the Government issuing those bills; supposing an individual sent an order to New York to purchase wheat, his purchase would cause bills to be drawn against him from New York; is not the effect of drawing those bills upon this exchange, to make it profitable to send gold out of this country?—Yes.

2625. What you propose is, that the Government should send out Government bonds to New York, and sell them in the market, and take the bills which have been drawn against the corn?—Yes, or take any other bills.

2626. And thereby prevent the exchange falling?—Yes.

2627. If the Government take those bills, or whatever they take, those bills would be repaid at maturity?—Yes, and at maturity the Government would have the money here.

2628. Then the Government would have the money in their Treasury, but individuals would still be obliged to pay their bills, and all the inconvenience which the trade suffers now, unless you were to suppose that this money were to be given out to the public, would still be suffered?—There would be no contraction; but if the gold went out, it would cause a contraction of the currency, and all the departments of trade would suffer; by paying gradually for the corn instead of paying all at once, you take off that pressure upon the currency.

2629. The capital of the houses in London who had imported that corn, would be as much drawn upon in the one case as in the other?—But the currency of the country would not be contracted.

2630. But the merchant who imported £20,000 worth of corn, would have to pay for it out of his capital that he usually employed in his own business?—Yes, and he would sell his corn to meet the bills drawn upon him, and his capital would be returned to him for the bills.

2631. If he sold his corn, the buyers must pay him, and it would come to the same thing?—Precisely; but the national payment is postponed, and the balance of trade is not affected, until the reimbursement of those bonds.

NOTE.—A SECOND SUPPLEMENT will be published next Month, completing the evidence, and containing statistical returns relating to the Bank of England referred to by several of the witnesses. The evidence to be published includes that of the Governor and Deputy-Governor of the Bank of England (Messrs. *Morris and Prescott*), Mr. *Samuel Jones Loyd*, Mr. *Tooke*, Mr. *Taylor*, and Mr. *Birkbeck*.

THE BANKERS' MAGAZINE ;

AND

Journal of the Money Market.

SEPTEMBER, 1848.

SUPPLEMENTAL NUMBER.

CONTINUATION OF THE EVIDENCE *taken before the Secret Committee of the House of Commons, appointed to inquire into the causes of the recent Commercial Distress ; and how far it has been affected by the laws for regulating the issue of Bank Notes payable on demand.*

HOUSE OF COMMONS, 7th March, 1848.

JAMES MORRIS, Esq., Governor of the Bank of England, and
HENRY JAMES PRESCOTT, Esq., Dep. Gov. of the Bank of England,
Examined.

2632. *Chairman.*—(To Mr. Morris.) You are Governor of the Bank of England?—I am.

2633. How long have you been in the direction?—I have been in the direction since 1828.

2634. (To Mr. Prescott.) You are Deputy Governor?—Yes.

2635. How long have you been in the direction?—I have been in the direction since 1835.

2636. The more convenient course will be, that I shall put the questions to the Governor, and the Deputy Governor will consider the questions as equally put to himself ; and if he has anything to add, or any difference of opinion to express, he will be good enough to state it.

Assistance afforded by the Bank in 1847.

The condition of the Bank at the time the Government Letter of 25th October, 1847, was issued was this : money being extremely scarce, and the bankers and discount-brokers unable to give accommodation to their customers, every one wanting money applied to the Bank ; there appeared to be an idea that the Bank was bound to provide the public with notes, without considering that the Bank was limited in its operations, just as any other banking company. The 25th October was the day on which the Government Letter was issued ; on the 23rd October, being in communication with the First Lord of the Treasury and the Chancellor of the Exchequer, we were informed that it was the intention to issue the Letter on the 25th, and we were requested in consequence not so much to regard our own position,

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as to give every assistance to the public. Under these circumstances, the reserve went down to 1,994,000*l.*, which was lower than would have been the case if we had looked only to the Bank's safety; on the 22nd, when we were acting without reference to the Government Letter, the reserve was 2,376,472*l.*

2643. Mr. *Herries*.] That was the amount of reserve in the Bank and all its branches?—Yes, in London and in the country.

2644. Will you state how much there was in London?—I am speaking now of the 22nd of October, the day on which I consider we were responsible for the maintenance of the reserve; when the letter came out, the Government asked us to act up to the spirit of that letter, and we considered ourselves no longer responsible for maintaining the reserve; but till the letter was out we considered ourselves responsible for maintaining it.

2645. Lord *George Bentinck*.] You draw a distinction between the Friday and the Saturday?—I draw a distinction between the balance on Friday, when we were acting independently of the letter, and the Saturday, because on Saturday we were informed that the letter was to come out, and therefore we acted in the spirit of the letter, though the letter did not come out till the Monday. The reserve on the 22d of October was, in London, 1,600,025*l.*, and in the country 726,447*l.*, making together 2,376,472*l.* I may perhaps be allowed to follow this up, by giving a statement of the extraordinary aid which was afforded by the Bank of England to different establishments, between 15th of September and 15th of November, 1847, for the purpose of preventing their stopping payment. 1. The Bank of England being applied to by a very large firm in London, who had at that time liabilities to the extent of several millions sterling, advanced 150,000*l.* on the security of debentures to that amount of the governor and company of the Copper Miners in England, and thereby prevented them from stopping payment; it was distinctly understood that the operation was for that purpose. 2. The Bank advanced 50,000*l.* to a country banker on the security of real property. 3. On the urgent representations of several parties of the first importance in the city of London, the Bank advanced 120,000*l.* to the governor and company of the Copper Miners, on the guarantee of approved names, taking at the same time a mortgage on the company's property for 270,000*l.* to cover this sum, and the amount of 150,000*l.* debentures before advanced upon; it was stated that the stoppage of this company would have thrown 10,000 people out of employment. 4. The Bank advanced 300,000*l.* to the Royal Bank of Liverpool, on the security of bills of exchange, over and above their usual discounts to this bank; this advance unfortunately proved inadequate, and the Royal Bank, having no more security to offer, stopped payment. 5. The Bank assisted another joint stock bank in the country with 100,000*l.*, on the security of bills of exchange, over and above usual discounts. 6. The Bank advanced 130,000*l.* on real property to a large mercantile house in London. 7. The Bank advanced 50,000*l.* to another mercantile house on the guarantee of approved names. 8. The Bank advanced 50,000*l.* to a joint stock issuing bank on bills of exchange, and agreed to open a discount account with the said bank, on condition that it should withdraw its issues, but the joint stock bank stopped payment before the arrangement could be completed. 9. The Bank advanced 15,000*l.* on real property to a large establishment in London. 10. The Bank assisted, and prevented from failing, a large establishment in Liverpool, by forbearing to enforce payment of upwards 100,000*l.* of their acceptances, and engaging to give further aid if required. 11. The Bank assisted a very large joint stock bank in the country with advances on loans on bills of exchange to the extent of about 800,000*l.*, over and above usual discounts. 12. The Bank advanced 100,000*l.* to a country banker on real property. 13. The Bank advanced a joint stock bank in the country 200,000*l.* on the security of local bills, besides discounting 60,000*l.* of London bills. 14. The Bank assisted another joint stock bank in

the country with an advance of 100,000*l.* on local and London bills. 15. The Bank advanced 100,000*l.* to a large mercantile house in London, on approved personal security. 16. The Bank assisted a large house at Manchester to resume payment by an advance of 40,000*l.* on approved personal security. 17. The Bank advanced 30,000*l.* to a country bank on real property. 18. The Bank assisted many other houses both in town and country, by advances of smaller sums, on securities not admitted by the Bank under ordinary circumstances; nor did the Bank, during the period in question, reject, at their London establishment, any bill offered for discount, except on the ground of insufficient security.

Assistance afforded to a Scotch Bank.

2754. *Chairman.*] You have mentioned that considerable assistance was given by the Bank in October; was there any assistance given to Scotland upon that occasion?—We assisted one joint stock bank to the extent of 200,000*l.*, and discounted their bills to the extent of 60,000*l.* more, and we gave assistance to another joint stock bank to the extent of 100,000*l.*; those were the only applications we had.

2755. *Mr. Hume.*] On what security was that?—(*Mr. Prescott.*) On the security of bills of exchange, partly what are called local bills of exchange, which mean bills of exchange payable in Scotland, and partly on bills payable in London.

Operation of the Bank Act on the Bank Management.

2651. *Chairman.*] Will you state to the Committee what you consider the effect of the Act of 1844 was upon the responsibility of the Bank?—The effect of the Act of 1844 was to create a separation between the two departments, the issue department and the banking department; over the issue department we have no control whatever, and the effect of the Act of 1844 is, to oblige us in the banking department to look to the amount of our deposits, and the amount of the reserve that we have for meeting our deposits.

2652. Do you consider that the Act of 1844 relieved you entirely from any responsibility as regarded the circulation?—Entirely.

2653. With regard to the banking department, in what condition did the Act place you?—It placed the Bank of England in the condition of any other bank, except that we were carrying on business upon a much larger scale, and we had also Government deposits to deal with.

2654. It has been stated that the effect of the Act of 1844 was to relieve you from any other responsibility than that which you had to your own shareholders, with the view of making the dividend for them as large as it could be made; do you consider that the Bank was relieved from all responsibility as regards the banking department with reference to the public interest?—I may state that as far as the Bank was concerned, I think the Bank ought to have been carried on exactly on the same principle as that established by the Act of 1844; whether the Act of 1844 had passed or not, we ought to have had a separation of the two departments; the issue department will naturally take care of itself; with respect to the banking department, we have a duty to the public to perform, and a duty to perform to the proprietors; our duty to our proprietors would lead us to make the best dividend we could for them; but in doing that, we are bound to take care, considering the power that the Bank has, as a large body, not to interfere generally with the monetary affairs of the country. I have always considered that the two interests were united, the proprietors' interest and the public interest; I have always found that whenever a step has been taken to promote the interests of the proprietors at the cost of the public, it has invariably fallen back upon us, and instead of bettering ourselves, we have put ourselves in a worse position.—(*Mr. Prescott.*) I

should say, that in all the more important measures of the Bank, such as in reducing or raising the rate of interest, the first thing that the directors look to is the public interest, rather than the interest of the proprietors of the Bank.

2655. That is, you consider that the management of the Bank are bound to look to the public interest, more than to the particular interest of the proprietors?—They are bound to consider both.

Effect of the Issue of the Government Letter in October.

2666. *Chairman.*] You stated that you were in communication with the Government, with regard to the issue of the letter in October; will you have the goodness to state to the Committee what communication, as representing the Bank, you had with the Government upon that occasion?—We were in communication with the Government for a considerable period before the issue of the letter; they were naturally anxious to know how the Bank was going on; and I think the question was put to us, whether the Bank required any relaxation of the Act for the purpose of protecting the Bank, and our answer was this, that as far as the Bank was concerned, we did not require any relaxation; that we were perfectly prepared to maintain the law, but that if the Government had any political motives, as, for example, to prevent the stopping of mills, or disturbances in the country, that was a subject for the Government to decide, and not for the Bank.

2671. What would have been the effect, in your opinion, if the Government had not issued that letter?—My opinion is, that the distress might have been prolonged for a further period, but I do not think it would have gone on to any great extent; the rate of interest was high, the exchanges were high, gold was flowing into the country, and there had been an increased issue in the country at that period in notes and coin, between the 25th of September and the 30th of October, of 4,956,000*l.*; therefore the distress did not arise from any want of circulation in the country; it arose entirely out of panic; my impression is, that a high rate of interest would have brought out money which persons had been keeping as an additional reserve in consequence of the panic, and also that the large importation which would take place of capital from foreign countries would have enabled the country to get through without that letter being issued.

2674. What distinction do you make between a pressure and a panic?—I consider that in April the pressure arose from the scarcity of money, produced by a large export of the precious metals in payment of food, and also by the publication of the Bank's reserve, which was about 3,000,000*l.* The public were not at that time well acquainted with the working of the Bank under the new Act; they were not aware that at that particular period, after the payment of the dividends, the reserve is generally at the lowest, and that the tendency of the reserve, after that, is to increase in consequence of the revenue coming in; but I consider the state of things in October to have amounted to a commercial panic; houses were failing, and one scarcely knew whom to trust.

Causes of the Commercial Distress in 1847.

2675. *Chairman.*] Will you state to the Committee what you consider to have been the causes of the distress which the country experienced in 1847?—The chief causes were, first, an unprecedentedly large importation of food, occasioning in payment the export of a large amount of bullion, to the extent of about 7,500,000*l.*, from the coffers of the Bank, and probably not less than 1,500,000*l.* from other sources, together 9,000,000*l.*; second, a still larger outlay of capital on railways, by which about 40,000,000*l.* were withdrawn from trade and other sources, and invested in works which did not yield an immediate return. These causes acting together, after a high state of credit and excessive speculation, brought on the pressure in the money-market. The

abstraction of 7,500,000*l.* from the bullion held by the Bank, caused a diminution in the notes in circulation to a similar amount. I assume that 1,500,000*l.* may have been exported from the coin in circulation in the country, making 9,000,000*l.* of bullion, which went out to pay for food during the latter end of 1846 and the beginning of 1847. I wish to make a distinction between the pressure in April and the panic in October; the panic began by failures in the corn trade; the price of wheat had risen to 120*s.*, in the expectation that the supplies in the country would not be sufficient to meet the demand for consumption until the harvest; large arrivals of grain from the continent of Europe and from America, coupled with the prospect of an early and abundant harvest, caused a sudden fall in price to about 60*s.*, with a corresponding decline in Indian corn. The failure of most of the corn speculators followed this great reduction in the price of grain, and their failure caused the stoppage of an eminent discount broker, having an extensive country connexion; this stoppage, by closing one of the principal channels of discount between the country and London, caused distrust to extend into the country. Credit became affected by these failures, and several London firms of large business also failed; then followed in rapid succession the failure of the Royal Bank of Liverpool, the Liverpool Banking Company, the North and South Wales Banking Company, some private country banks, and the Union Bank of Newcastle, followed by a heavy run upon the Northumberland and Durham District Bank; to these disasters succeeded alarm and an almost total prostration of credit; the London bankers and discount brokers found it impossible to grant the usual accommodation to their customers, and necessarily obliged every one requiring assistance to resort to the Bank of England; notes were hoarded to a considerable extent, so much so, that notwithstanding the notes and coin with the public in October exceeded by 4,000,000*l.* to 5,000,000*l.* the amount with the public in August, still the general complaint was, of a scarcity of money; credit was so entirely destroyed, that houses trading to distant countries, and carrying on their business by a renewal of their acceptances as they became due, were no longer able to meet their engagements, and were forced to suspend payment; this was the state of things previous to the issuing of the Government letter in October, 1847.

2676. I observe that you do not at all state, among the causes of the distress, the passing of the Act of 1844?—I consider that the distress was independent of the Act of 1844.

2677. Will you have the goodness to state to the Committee your opinion of the working of the Act of 1844?—The main object of the Act was to cause the paper circulation to expand and contract, as bullion flowed in or out of the issue department, so as to keep the currency in the same state as if it were purely metallic. I consider that this object has been fully answered, and, under a period of extreme pressure, the convertibility of the note has been securely maintained.

Mode of Managing the Bank.

2679. *Chairman.*] What is the practical working of the constitution of the Bank now; what power have the Governor and Deputy-governor of the Bank?—The Governor and Deputy-governor are the executive, and the Court of Directors are the deliberative body; the Governor and Deputy-governor being daily engaged in the management of the Bank, have a certain influence in suggesting measures to the Court, but it is for the Court to determine, and then the Governor and Deputy-governor to carry out the determinations that the Court come to at their weekly meetings.

2680. Between the meetings, what power is vested in the Governor and Deputy-governor?—The power vested in them is to take any measures that they may think necessary for the benefit of the establishment, reporting at the

next court-day what they have done; but in cases of very great emergency the Governors have the power of calling a Court together, or a meeting of the committee of treasury.

2684. How often do the committee of treasury meet?—They meet weekly; on the Wednesday preparatory to the meeting of the Court on the Thursday.

2685. Have the Governor and Deputy-governor a constant means of ascertaining the opinions of the members of the committee of treasury from time to time, though they do not formally meet?—Yes; and there is also a committee of daily waiting, for the purpose of carrying out the daily business of the Bank; when anything of consequence occurs, the Governors are in communication with that committee, and constantly members of the committee of treasury come into the Bank, though they may not happen to be in waiting.

2686. How is that committee of daily waiting composed?—The principle on which it is composed is this, out of the twenty-four directors they take one member out of the eight first: another member out of the next eight in succession; another member out of the eight juniors, and these form the committee of daily waiting.

2687. That is for the common business of the bank?—Yes.

2688. That is not a committee so composed as to decide on great questions?—Occasionally, directors change their days of waiting to suit their convenience; but otherwise, the senior member would be at the head of that committee.—(Mr. Prescott.) The principal duty of the committee of daily waiting is to manage the discounts.

2689. Not to settle the rate of discount?—(Mr. Morris.) No, only to carry out the discounts.

2690. If a question of considerable importance arises, do the Governor and Deputy-governor take upon them the decision of it, or are they in the habit of communicating with the members of the committee of treasury from time to time between the weekly meetings of the Court and of the committee of treasury?—They would, in such a case, assemble a meeting of the committee of treasury.

2691. Have the Governor and the Deputy-governor, for instance, advanced or altered the rate of interest between the meetings of the Court?—Yes, they have.

2694. In your opinion, is the present constitution of the Bank such as ought to satisfy the public?—That is a subject which we have lately had under consideration, and the Court have resolved that for the future parties to be recommended to be elected as Governor and Deputy Governor shall not be taken according to rotation.

2697. Upon what principle will the election of the Governor and Deputy Governor hereafter be?—Directors will no longer be recommended for the chairs according to their seniority; the consequence will be, that in the selection of candidates to fill up vacancies in the direction, we shall be enabled to recommend gentlemen of more mature age than at present; hitherto, as a period of about twenty years has generally elapsed before a director reached the chairs, we have been obliged to recommend candidates for the direction younger than was, perhaps, desirable, or than will be necessary under the proposed alteration.

2700. Do you consider that there would be any advantage in having a permanent Governor of the Bank?—I do not.

2701. Will you state any objections that you have to that arrangement?—I do not see any advantage in it, inasmuch as before a director comes to the chair, he has been one year on the committee of treasury, and two years Deputy Governor; and, therefore, has three years' initiation, as it were, before he is called upon to act as Governor. There is no difficulty among ourselves in finding a person who would be qualified for that appointment; if there

were a permanent Governor, I think jealousies might arise ; I think that every director, considering that in his time he may come to the chair, is more inclined to support the chair from that consideration than would be the case if there were a permanent paid Governor.

As to Silver held by the Bank.

2710. *Chairman.*] Is it your opinion, that it would be desirable to allow the Bank to receive silver to the amount of one-third, or would you leave it unlimited?—I do not think that any great inconvenience has arisen from the restriction to one-fifth; there was a period in April when it was difficult to sell silver; the Bank was afraid to purchase it in consequence of losing gold, and the proportions being very near; but I believe it was only about 20,000*l.*; therefore, it was not of much consequence; but still I do not see any difficulty in allowing the Bank to hold one-third in silver.

Opinion of the Bank Act.

2713. *Chairman.*] (To Mr. Prescott.) Do you concur in the opinion that it would not be advisable to relax the restriction of the Act of 1844?—I do not think it is at all called for; I am content with the arrangement as it stands at present.

2714. There are 14,000,000*l.* of notes issued now upon securities; do you consider that sufficient?—(Mr. Morris.) I think it is quite sufficient.

2715. You would make no alteration in that respect?—Certainly not.

2716. Do you consider that the provisions of the Act of 1844, with reference to the issues of the country banks, have been advantageous to the circulation of the country?—Extremely advantageous.

2717. Are you of opinion that the Act of 1844 has contributed to secure the convertibility of the note?—Yes, I am.

2718. Do you think it would be advisable to introduce any provision in the law, giving either the Government or the Bank the power of suspending the restrictive limit in case of difficulties?—I think it would not be desirable.

2719. Do you consider that under those circumstances the Act can be enforced?—Yes, I do; I think there may be certain occasions, such as those in October last, arising from panic, which it is impossible to provide for by legislation; but there is always the resource, as on the last occasion, of the government interfering, and they did that on their own responsibility, which the Bank were not allowed to do by Act of Parliament; but if the government had the power of interfering, I am afraid that in April, in consequence of the representations made to them, they might have been obliged to relax the law, and I think in October they would have been forced to relax sooner than they did, and that that would have been very detrimental.

2735. If a panic arises, do you think that an enlargement of the issues is of any benefit in allaying that panic?—Certainly; I consider that an enlargement of the circulation would allay the panic, but I think it is much better to allow a panic to subside of itself. I am supposing a panic, such as we had in October, in which there was very great commercial discredit; no one knew, with some exceptions, what houses to trust, and naturally people were keeping large reserves for the purpose of meeting their own engagements; my impression is, that the high rate of interest, the interest then being 8 per cent., would by degrees have brought capital into the country, and that the amount of circulation which had been hoarded would have been brought into activity again, and the panic would in that way have cured itself.

The Bank was at no time in danger during the Panic.

2759. *Chairman.*] Have you anything further to add?—It has been stated out of doors, that the Bank was not in a position to maintain itself, if the

Government letter of October had not been issued; now my reason for saying that the Bank was perfectly able to maintain its position is this, our balance at the period when we were responsible for the state of the reserve, was 2,376,000*l.*, that is on the Friday; I am speaking of the period at which we, the Governors of the Bank, were responsible for the maintenance of the law.

2760. On Saturday the 23rd, you acted under the influence of the letter, which you expected the Government to issue?—Yes.

2761. Mr. *Herries.*] One million, six hundred thousand pounds was the amount of the reserve in London?—Yes; we had bills going off to the extent of a million and half a week; if instead of discounting to that extent we had discounted to about half the extent, we should have added 800,000*l.* to the reserve, and the revenue was coming in to the extent of 300,000*l.* a week; therefore we should have had no difficulty whatever in strengthening our reserve, and we might still have given a certain amount of accommodation to the public.

2778. Mr. *Herries.*] Could you have answered all the demands of those who had claims upon you?—Yes, we could. I have a statement here of the amount of private deposits during times of panic; and so far from private deposits being reduced at periods of panic, the tendency of the private deposits in time of panic is to increase, therefore I had no fear of the private deposits being withdrawn from us.

2783. There are some claimants upon you, who in time of panic, supposing you had no other means of satisfying them, you must have paid in notes?—Yes.

2784. Should you have had notes to pay them?—It would have been difficult at the time to have borrowed upon consols, but we might have gone into the market and sold consols to the amount of 1,000,000*l.*

2785. What would have been the effect upon the market if at the time we are alluding to, in the then state of the public mind, you had gone into the market (your condition being known to the public by means of the weekly publications,) and had sold public securities?—The effect would have been to strengthen our reserve.

2786. What would have been the effect upon the public securities?—The effect upon the public securities would have been to reduce the value of the securities; money was extremely scarce, and if we had gone into the market and sold 1,000,000*l.* consols we should of course have created a fall in the market; it might be to the extent of 1 or 2 per cent., but we should have sold 1,000,000*l.* of consols, not in a day, but in the course of a week; even supposing they went down 5 per cent., our first duty is to maintain the reserve for the purpose of meeting the liabilities upon us, and we should have taken notes out of the market, perhaps not to the whole extent, but for a considerable portion of the amount of the securities sold.

2787. Is it your opinion, as a person well acquainted with the mercantile mind of London, that under such circumstances, adverting to what you know to have been the public feeling at that time, you really could have sold securities to such an amount as you have mentioned, and reduced the value of securities only 1 or 2 per cent.?—I corrected myself by saying 5 per cent.; I put the question distinctly to the party who is employed in selling the public securities for the Bank, and I have again repeated it to him, and he stated that we should have been able to have sold in the course of the week consols to the amount of 1,000,000*l.*, without producing any very great fall in the market.

As to Discounts.

2766. *Chairman.*] It has been suggested to the Committee, that instead of raising the rate of interest, it would be expedient for the Bank to limit the

echéance of the bills that it discounts; what is your opinion upon that?—I think it is much more desirable for the Bank to raise the rate of interest; because if you limit the *echéance* of the bill, you throw great difficulty in the way of the negotiation of bills which are beyond the Bank's period of discount. I think it is better for the Bank to put on an additional rate of interest, so that parties holding bills of 95 days may have the means of discounting them at a certain rate.—(Mr. Prescott.) By raising the rate of interest, you distribute the pressure over a greater number of parties, while by limiting the time that the bills that you discount are to run more than we do under our present regulations, you would make the pressure fall more severely on particular classes who happen to hold those bills that have a longer period to run.

2767. Would it fall upon particular trades?—Yes; it would fall particularly heavy on the India bills, which are drawn at six months' sight, or ten months' date.

2815. Has not a panic necessarily the effect of inducing a great hoarding of gold, and strengthening the reserves in the country?—Yes.

2816. Has, then, the raising of the rate of discount, which is an indication on the part of the Bank of an intention to withhold or diminish its accommodations, the effect of increasing the apprehensions of the holders of gold and money in the country?—The act of the Bank in raising the rate of interest, instead of increasing apprehension, ought to diminish it, and to increase confidence, inasmuch as it makes capital valuable, and attracts foreign capital and bullion into the country.

2817. Has not a pressure upon the commercial community, by raising the rate of interest, taken in combination with the manifest diminution of the reserve of the Bank, a tendency to diminish the apprehension in the country?—The reserve in the Bank was known to the public, and therefore, whether the rate of interest was high or not could make little difference; but I should say, that the higher the rate of interest the less alarm there ought to be, because the public, knowing the position of the Bank, would see that the Bank were taking means to put themselves in a better position.

2818. Is it your opinion that the exercise of the pressure by the Bank raising its rate of interest, is equally applicable in cases of a demand for gold for internal hoarding apparently arising from apprehension, as it is in the case of an export of gold to foreign countries?—I consider that the demand upon the banking department, whether it arises from foreign export or from internal demand, must be dealt with in the same way; we have a certain amount of liabilities, and we are bound to keep a certain amount of reserve to meet them, and whether the reserve is acted upon by one cause or the other, we are bound to take the same means to protect ourselves.

As to the effect of the Deficiency of Bills in April, 1847.

2872. Mr. Hudson.] Was there not an application made to you by the Chancellor of the Exchequer for a considerable amount in April?—(Mr. Morris.) I think the deficiency bills were 3,500,000*l*.

2873. In consequence of that application, were you not obliged to curtail the accommodation that had been given to the banks in Liverpool, and other parties?—No; it was not in consequence of that application.

2874.—What made you take the step of going to the market and borrowing 1,200,000*l*. on Consols, which was the cause of your being obliged to issue the circular to your branches, restricting the discounts, if it were not owing to the deficiency bills?—It arose from the Bank having discounted bills which fell due in May, instead of the bills due in April, the period at which the dividend was to be paid.

2875. Suppose the Chancellor of the Exchequer had not required that

accommodation, would you have been induced to take the course that you did take?—Yes.

2876. What is your opinion upon that?—Knowing that a certain amount was to be paid on account of the dividends, it would have been more prudent not to have allowed the reserve to have fallen so low.

2877. The issue of this circular, and the difficulties which arose in April, arose, whether the Bank ought to have anticipated it or not, from the Chancellor of the Exchequer coming to the Bank and taking away the three millions and a half of their money upon deficiency bills?—The issue of the circular arose from the low state of the Bank's reserve. I think the Bank would have acted more prudently in not allowing it to fall so low; but the difficulties of April may chiefly be attributed to the contraction of the circulation, caused by a large export of bullion.

2908. The Bank lending money to the Chancellor of the Exchequer as the sole cause of the pressure [in April] was it not?—No, it was not.

2909. It was an additional cause; the effect was produced by your borrowing money on securities?—Some alarm, as has been stated, arose from the low state of the Bank's reserve after payment of the dividends; the object of borrowing was for the purpose of strengthening the reserve; the Bank would, in my opinion, have acted more prudently if the reserve had been kept higher for the purpose of meeting the dividends.

2910. But the question before the Committee is, what was the cause of the pressure in April, was it not caused by the demand which the Chancellor of the Exchequer made upon you: whether you ought to have provided for that or not, is not the question that I wish to ask, but whether the demand made by the Chancellor of the Exchequer was not the cause of the pressure which existed in April, in consequence of which you wrote that circular immediately upon that pressure, and borrowed money upon securities?—When the Chancellor of the Exchequer made the demand upon the Bank, we knew that we should have a certain amount of dividends to pay upon a certain day; whether the Government had provided for that, or whether an advance was to be made upon deficiency bills, was of little importance; but, in my opinion, the Bank did not keep a sufficient amount of reserve to meet the demand which they knew would be made upon them for the payment of the dividends.

2934. Mr. T. Baring.] Do I understand you rightly that there is no difference as regards the accommodation to the public whether the Government has provided for the dividends or not?—It makes little difference to the public.

2935. Whether the Government has deposited with you sufficient to meet the dividend, or whether it is obliged to ask for advances upon deficiency bills, it makes no difference to the public?—It ought to make little difference to the public; the only difference is that when the money is paid in on account of the Government, we lend that money out again to be repaid at the period we require it; but if the Government are not paying in money, all we have to do is to take care, from other sources, and by proper arrangements, to be prepared to meet the dividend.

2954. Mr. Hume.] Do I understand you to say, that in proportion to the amount of deposits the accommodation to the public is greater or less?—The power of the Bank to give accommodation to the public is regulated by the amount of the deposits.

2955. Then supposing your deposits are only 10,000,000*l.*, not having any Government deposits, do you mean to say that you can give the same accommodation to the public as you would give if the deposits were 15,000,000*l.*?—I do not; but it may be presumed that the public do not require the same accommodation under those circumstances. When the money has not been paid in on public account, the presumption is that there is a larger amount in circulation.

2958. *Sir William Clay.*] You assume that if the Government balances are low in consequence of the revenue not having come in, your other deposits are larger? Generally speaking it would be so, but it would rather affect our reserve; Government not paying in the revenue, money would be easy out of doors, and we should have less demand on our reserve for accommodation for the public; the reserve would in consequence be high.

2959. Would your balances materially alter?—They ought to be nearly the same.

2960. Consequently your arrangements for the payment of the dividends would not alter materially the amount of accommodation you would give to the public?—No.

2961. *Mr. Baring.*] Would there have been any additional inconvenience to the public if Government had in October required an advance upon the deficiency bills?—No? instead of Government paying in a large amount of notes, which the Bank re-lent, those notes would have been out in the market, and, consequently, there would have been no more pressure than there was.

2972. *Sir William Clay.*] The substance of your explanation appears to resolve into this, that under the Act of 1844 there is no possibility of increasing or diminishing the amount of money, that being governed by a law with which that Act has nothing to do?—Exactly; it is irrespective of any management on the part of the Bank.

2973. Therefore, the question of more or less convenience in the payment of the dividends is a matter entirely of banking arrangement, and the inconvenience which was felt at that time, in your opinion, simply arose from the Bank, as bankers not having made their advances returnable at the period when they were called upon as Bankers to pay money?—Yes; I stated that at that period the Bank would have acted more prudently if they had lent out their money to be repaid at the time when they required it for the payment of the dividends, instead of discounting bills which fell due after that period.—(*Mr. Prescott.*) It appears that there was a considerable amount of money lent out in that way to meet the payment of the dividends, but it was perhaps not lent out in that way to a sufficient extent.

The Bank Act, and its effects on the Bank's Profit.

2920. *Mr. Hudson.*] Have you considered the effect of the Act of 1844 upon the profits of the Bank, whether it is an Act that has increased the profits of the Bank, or otherwise?—(*Mr. Morris.*) I do not think that the tendency of the Act has been to increase the profits of the Bank.

2921. Has not the dividend been increased since that Act?—The dividend has been increased, but arising from other circumstances.

2922. But since the Act of 1844 you have been enabled to pay an increased dividend to your proprietors?—We have paid an increased dividend during one year, owing to the large railway deposits.—(*Mr. Prescott.*) My opinion is that the Act of 1844 has rather operated to diminish the profits of the Bank by limiting the amount that the Bank is authorized to issue upon securities.

2923. Still you have made a larger dividend since that Act than before?—Yes, we have made a larger dividend from other circumstances, arising from the very large railway and Government deposits.

Effect of selling Consols during the Panic.

2879. *Mr. Hudson.*] You stated that you were always in a condition, under the Act of 1844, to meet any demand upon you; what do you think the effect upon the public would have been, if you had proceeded to sell 1,000,000*l.* of stock?—The effect would have been to convert the securities that we sold into bank notes, which would have increased our reserve of bank notes,

2880. Do you think the sale of 1,000,000*l.* of securities would have met the demand?—I think in October 1,000,000*l.* would have been sufficient with the amounts which were coming in every day from the bills that were going off, and considering that the revenue was coming in to the amount of 300,000*l.* a week. [See also the evidence at page cxxviii.]

Effect of withdrawing the Bankers' Balances in October, 1847.

2881. Supposing the London bankers had been, from the pressure that there was upon them, obliged to withdraw a large amount of the balances which I believe equalled pretty nearly the amount of your reserve on the 22nd of October, what would have been the effect?—On the 22nd of October, the reserve in London was 1,600,025*l.*, and in the country, 776,447*l.*, making together 2,376,472*l.*; and the bankers' balances were 1,774,472*l.*; supposing those balances had been withdrawn from us in the course of business, we should have had an opportunity of going into the market, and by selling securities, we should have strengthened ourselves by taking notes out of the market, and by that means have met the bankers' demand.

2882. What would have been the effect upon the stock market?—The effect would have been to have reduced the price of securities, and to have brought notes into the Bank of England.

2883. Would you think that a desirable state of things to have been carried out, remembering that it was merely a panic, not arising from an external drain?—I think it is not only desirable, but imperative upon the Bank to take every step to maintain the reserve of the banking department.

2884. Do you think that the law is a wise law which compels a course of action like that?—I think the law is quite right which separates the issuing and banking departments, and in separating the two the action must be that which I describe.

2885. Do you think a law is wise which brings about that state of things?—I do not allow that the law brought about that state of things.

2886. Supposing that the Act of 1844 had not existed, do you think that that would have been the effect?—If the Act of 1844 had not existed, I think assistance might have been given to the country, but the act of giving assistance would have been accompanied with an additional issue on securities and an additional export of gold; and if such a system had been pursued, as the amount of bullion exported would have been greater, the Bank would have been obliged to take more stringent measures, and the effect would have been severer than it has been under the present Act.

HOUSE OF COMMONS, 10th March, 1848.

James Morris, Esq., Governor of the Bank of England, and
Henry James Prescott, Esq., Deputy Governor of the Bank of England,
further Examined.

As to the Utility of publishing the Weekly Accounts of the Bank.

2897. *Chairman.*] (To Mr. Morris.) Upon the last meeting of the Committee, I did not ask you what your opinion was of the effect of the publication of the Bank returns in their present shape?—I stated that I thought in April, probably some alarm had been created, in consequence of the publication of the Bank reserve, which was at that time low, and the public not being accustomed to the working of the Bill; but, on consideration, I think it is better that the publication should take place, as a check upon the management of the Bank, inasmuch as they know that it will be published, and attention will be drawn to it. I have no objection to the publication. I am giving my individual opinion.

2898. (To Mr. Prescott.) What is your opinion?—I am of opinion that it has been attended with inconvenience occasionally; but having been once adopted, I should not recommend its discontinuance.

2899. Mr. Spooner.] Does the publication of the accounts lead the public, by an inspection of those accounts, to form any real opinion of the position of the Bank?—Yes, it does.—(Mr. Prescott.) In my opinion it does not enable the public to form a perfect opinion of the position of the Bank; they cannot be aware of the funds which may be coming in or of the funds which may be going out of the Bank.

Why the Bank refuses to discount for Banks of issue.

2996. Mr. Hudson.] Do you not refuse discounts to all banks of issue?—We have always refused discount accounts to Banks issuing their own notes.

2997. Upon what ground?—The ground upon which I understand it has been refused is, that, previous to the Act of 1844, the Bank made arrangements with certain joint-stock banks, to induce them to adopt the Bank of England circulation; and after the Act of 1844 had been passed, it was thought that it would be hard not to continue the same facilities to those banks which they had obtained from the Bank before the passing of the Act; that arrangement having been made for our mutual convenience.

2998. In coming to that decision, you did not keep in view the great public interests of the country; but the object in view was the increasing the power of the Bank of England, by inducing all other banks to issue their notes?—We gain nothing by inducing parties to issue our notes, any profits beyond the 14,000,000*l.* goes to the Government.

2999. But your reserve being 10,000,000*l.* or 11,000,000*l.*, if you could have 10,000,000*l.* or 11,000,000*l.* out, by substituting them for country notes, that would be an object you would have in view?—At the time when the difficulties took place, our reserve was low, and it was better to employ it in discounting bills.

3000. It is, however, a complaint, that you have a stringent rule, by which you refused discounts or accommodation to all banks of issue?—I have no objection to state, speaking individually, that now that the Act of 1844 has been passed, I do not see any reason why they should not be placed on the same footing as the others; but the reason the Court has not acceded to that, is in consequence of those parties having worked with us at a period when it was useful to us that they should do so.

When the Bank rate of discount should be reduced.

3005. Mr. T. Baring.] You state that on the 7th of September, 1844, your interest was reduced to 2½ per cent.; previously to that time the general minimum rate of interest had been 4 per cent.?—For a long period of years it had been 4 per cent.

3006. Do you think that course of lowering the rate of interest to 2½ per cent. is one which, under similar circumstances, the Bank should again adopt?—Under similar circumstances, decidedly.

Refusal of the Bank to make advances in April, 1847.

3076. Mr. T. Baring.] In April, was discount in any cases refused?—I think in April the discounts were restricted according to the amount which individuals might have had upon their accounts.

3077. But practically bills were refused, were they not?—Practically, parties applying to the Bank for discount for bills were refused, not on the score of insufficiency of security, but on account of the state of the reserve.—(Mr. Prescott.) The accounts of those parties were already high.—(Mr. Morris.)

The discount was restricted according to the amount parties had on their accounts; those having large amounts were restricted on account of the amount they had.

3078. It was a restriction beyond the usual limit which you make?—There is a figure fixed against names for the purpose of giving an idea of the security those parties individually offer, but in London there is no limit fixed against names as to the amount they may have.

3079. So that in reality this was a restriction upon discounts?—Yes.

3080. And the Bank refused to lend upon Exchequer bills?—The Bank was not in a position at that time to lend upon Exchequer bills.

3081. Whether from previous injudicious conduct, or any other reason, when the Bank find it necessary to reduce their issues considerably, do you think it is more desirable and more advantageous to the public to do it suddenly or to do it gradually?—Gradually.

3082. In April you did it rather sudden y?—Yes.

3083. You lessened your investments to a very large extent, to about 2,000,000?—We lessened our securities by bills running off, and not re-discounting.

3084. Did you not feel yourselves compelled to do that in consequence of this Act of 1844?—No.

3085. Could you not have safely continued to discount, relying upon the balance which was coming in, and the revenue which was coming in, and the instalment of the loan which was to come in?—Whether the Act of 1844 had existed or not, the principle upon which we acted should have been the same; we had a certain amount of deposits and a certain reserve to meet, and we were bound to keep up that reserve, so as to be quite sure that we could meet our liabilities.

Former mistakes of the Bank Directors.

3087. Mr. T. Baring.] Do you think previously to 1844 the Bank would have found a difficulty in maintaining the convertibility of the note?—I think that in 1825, 1837, and 1839, the convertibility of the note was in extreme danger, from the Bank not looking sufficiently to the amount of its reserve, by issuing more notes than it was justified in issuing for the purpose of relieving the public.

3088. Had not the Bank the same alternative then of reducing discounts or selling securities?—Yes; but the Bank continued till the amount of the reserve was so low that they were obliged to take extremely stringent and violent measures, and the result was the country suffered.

3089. But through the suffering of the community the Bank had the power of keeping itself safe?—Yes, it had; but in keeping itself safe it injured a great number of commercial establishments.

3090. Do not you think that the Bank, without the Act of 1844, by its own operations could have maintained the convertibility of the bank note?—I think the Bank of England could have maintained the convertibility of the note, whether the Act of 1844 had passed or not. We ought to have separated the two departments, and to have conducted them upon exactly the same principle, whether the Act of 1844 had been in existence or not.

The Loan of Consols to the Royal Bank of Liverpool.

3104. Mr. T. Baring.] (To Mr. Morris). You stated that you lent £300,000 to one bank, in consols?—Yes; £300,000 to one bank, and £100,000 to another.

3105. In what way did that operation take place?—We transferred the

consols in September or October, and in January they re-transferred them to us; we received no remuneration except the dividend which accrued upon them.

3106. Did they ask you for consols, or did you offer them consols?—We refused to discount bills, upon which they were anxious to have some other means of meeting their engagements, and I forget whether we offered them consols or whether they asked for them; I think the proposal came from ourselves.

3107. You refused discounting, not from any doubt of their own solvency, or the value of the bills which they offered?—They stated that they required a certain amount of assistance, and in answer, we told them that they might have consols to the amount of £300,000, upon the distinct understanding that it was to carry them through; I do not think they proposed taking consols. (Mr. Prescott). The Royal Bank of Liverpool, to which the question refers, applied to us for an advance of money to meet the claims made upon them, we said that they had already had a large amount of discount, and that we were not in a condition to make a further advance of money, but that as they were hard pressed, we were willing to make an advance of stock, which they might realize in the market; it was the same thing as if the Bank itself had realized the stock in order to render them assistance.

3108. Mr. T. Baring.] You gave them consols instead of bank-notes?—(Mr. Morris.) Yes; it suited us better to give them consols than bank-notes.

3109. As you gave them consols, it was not from any want of confidence that you refused to discount for them?—(Mr. Prescott). It was upon security that the advance was made.

3110. Do you think that a desirable plan for a national establishment to follow, to lend the public securities of the country?—(Mr. Morris.) The only difference between our giving them consols and advancing them money was, that they sold the consols, instead of our doing so; there was no reason why they should not do it rather than ourselves; they were to return us consols for consols, and any depreciation which might take place in the price of the consols was to be at their cost.

3111. Is there not this difference, that they might sell those securities in such a way as to affect the stock market; whereas you might have sold them without producing an injury to the stock market, which affects not only the Bank, but other parties in obtaining money?—We sold them without producing any visible effect upon the market; the £300,000 were sold by the Bank broker, and he has given me a paper showing what the effect was upon the market. From that paper it appears that the effect was very trifling. The consols were sold on the 7th, 14th, and 19th of October. On the 6th, the day before the first sale, the price of consols was $84\frac{1}{2}$, $83\frac{1}{2}$, $84\frac{1}{2}$, $\frac{1}{2}$, $\frac{1}{2}$, $\frac{1}{2}$. On the 7th, the next day, we sold £150,000 at $84\frac{1}{2}$, the price being in the course of the day $84\frac{1}{2}$, $84\frac{1}{2}$, $84\frac{1}{2}$, leaving off at $\frac{1}{4}$ th higher; therefore the sale of the £150,000 did not seem to produce any effect upon the market. On the 13th of October, the day previous to the second sale, the price was 83, $82\frac{1}{2}$, $82\frac{1}{2}$, $82\frac{1}{2}$. The Bank broker sold on the 14th £50,000; 10,000 at 81, and 40,000 as $80\frac{1}{2}$; the price after the day on which he sold them was $80\frac{1}{2}$, $81\frac{1}{2}$, $80\frac{1}{2}$, and $81\frac{1}{2}$, and the day he sold them the price was $81\frac{1}{2}$; so that there was scarcely any fluctuation.

3112. Was it not known on the day of his first sale that he had not got through his whole amount?—I do not think attention was drawn to the sale; the order was sent to the Bank of England as agent for the branch to sell it for them; the last day, the 19th, he sold £100,000 consols; £64,000 were sold at $79\frac{1}{2}$, and £36,000 were sold at 79; the price of the previous day, the 18th, had been 81, $81\frac{1}{2}$, $80\frac{1}{2}$, $80\frac{1}{2}$, and $79\frac{1}{2}$; on the 19th of October, the day on which he sold, the market opened at $79\frac{1}{2}$, and fell to $78\frac{1}{2}$, $79\frac{1}{2}$, and $79\frac{1}{2}$; he sold at $79\frac{1}{2}$; the price then went to $79\frac{1}{2}$ and $79\frac{1}{2}$; the day after, the price

opened at 79½, and closed at 80, so that the effect of selling the stock in the market was not materially to depress the price of the funds.

3113. The day before the sales began the price was 84½, and when the sale was concluded it was 80?—Yes; but the fall was not in consequence of those sales; the saving's banks and other parties were selling largely.

The Panic would have ceased without the Government Letter.

3158. Mr. T. Baring.] The fact of the gradual decrease of notes out with the public showed that the real drain upon the Bank was stopped by the letter of relaxation?—It showed that the drain upon the Bank was stopped by the letter of relaxation, not on account of there not being a sufficient amount of bank notes in the country, but in consequence of parties hoarding notes, or keeping a larger amount than they required; the letter, by allaying the panic, brought notes out into circulation, and the consequence was that they returned to the Bank.—(Mr. Prescott.) It proved that the panic was over, but it is a question whether it would not have ceased without the letter.

3159. In what way could it have ceased without the letter?—It is in the nature of panic to exhaust itself.

3160. That is, when a good many houses have failed, there are not so many remaining that can fail?—That is one reason; but I may add that in a week or two there must have been a great increase of the circulation by the importation of bullion.

Future Panics should be met in the same manner as in 1847.

3170. Mr. T. Baring.] If circumstances similar to what occurred last year should recur in this country, the country is to expect the same mode of treating the case on the part of the Bank?—Yes.

3171. Whether it be an internal drain, or whether it be an external drain, the only remedy that the Bank direction consider ought to be applied, is restriction in some mode or other, they preferring a rise in the rate of interest, and leaving it to the Government to interfere when it thinks right?—I cannot speak to the opinion of the Bank, but I speak to my individual opinion; my own individual opinion is, that that is the case.

3172. The Committee understand you to think that though interference was justifiable on the 25th, any previous interference would have been improper?—Yes; but I am not prepared to say that the interference on the 25th was unnecessary.

3173. So that, according to your opinion, before the Government would be justified in interfering, we must have the same extent of panic and alarm and of failures?—I think the Government would not be justified in interfering under a less state of alarm and excitement than prevailed on that occasion.

3174. You draw no distinction between the case in October, when the demand was not from a foreign export of gold in any way, or an unfavourable state of the exchanges?—As far as the banking department of the Bank is concerned, it is immaterial to them whether the demand upon the reserve arises from an internal or an external drain.

Effect of an Export of Bullion on Commercial Interests.

3270. Mr. Cayley]. You have no doubt, that a system of circulation, varying precisely with the amount of precious metals, is the best possible system that can exist?—I have no doubt of it.

3271. Under that system a large importation of corn must necessarily cause great pressure?—I do not see why a large importation of corn should cause a greater pressure under a metallic circulation than under any other.

3278. When the Bank reserve is very low under the export of gold, it is impossible to afford an inducement for a speedy return of gold without creating great pressure?—The means of getting back the gold is, by making money dear, and causing a fall generally in the price of commodities, which will bring back gold.

3279. Then the means of attracting gold back to this country, after it has gone out, is to lower prices?—Prices will fall in consequence of the increased value of money.

3280. Under a great fall of prices, the Bank is comparatively safer?—A great fall of prices has a tendency to bring capital into the country, and as bullion flows into the country, it acts upon the reserve of the Bank and of all private bankers.

3281. But in order to attract gold back into the country, the more forced sales there are, and the lower the prices, the safer the position of the Bank is?—The lower the prices of commodities, the greater will be the tendency to the increase of the importation of the precious metals, and of the reserve of the Bank, and of bankers generally.

3282. Under that state of things, that is, a pressure arising from a fall of prices, in order to secure the return of gold, does not any accommodation afforded to the public rather tend to obstruct the fall of prices?—Yes.

3283. The less accommodation under that state of things, that is afforded to the public, the safer to the system?—The accommodation must of necessity, under that state of things, be reduced.

3292. Do you think, under a scarcity of food, any system can be advantageous to the country which deprives the labourer of wages and work at the time food is dearest?—I do not see how you can help it.

3293. Under the present system it is impossible to avoid it?—Under the present, or under any system, it is impossible to avoid it.

3294. Supposing your issues on securities had been £20,000,000, instead of £14,000,000, would, or would not, the public have had more confidence in obtaining possession of a sufficiency of the legal tender?—The public would have not less confidence, because we should have lost a proportionate amount of bullion.

3295. In order to obtain bullion it is necessary to throw down prices?—In order to bring bullion into the country, it is necessary that there should be a fall in the prices of securities and goods.

3298. In reference to the export of £9,000,000 of bullion in the last year, have you at all calculated the extent of loss to the country by throwing down prices in consequence of the restrictive measures which the Bank took to bring back the bullion?—No, I have not.

3299. Are you aware that the Committee have had a return sent to them which puts the loss upon a certain amount of stock and a certain amount of railway shares alone, in the course of last year, at £112,000,000?—No; but I would observe that if those stocks and railway shares were held by parties in this country, it was only a loss as between individuals.

3300. Do you think it wise to produce a loss to individuals of £112,000,000 to get back £9,000,000 of gold?—I consider that prices were not thrown down in consequence of any restrictive measures which the Bank took, but that it was the result of the restrictive state of the circulation consequent upon a large export of the precious metals.

No limit to the Bank's minimum rate of Interest.

3329. You lowered your rate of interest very much in 1844?—Yes, in September.

3330. If the bill brokers had gone on lowering their rate, according to the lowering of your rate, would you have had any minimum rate to which you

would have gone?—When the Bank rate was put down to $2\frac{1}{2}$ per cent. the rate in the market, upon discount, was about 2 per cent., and loans at a $1\frac{1}{2}$ to $1\frac{3}{4}$ ths; therefore, we did not put down our rate to the minimum in the market.

3331. Do you still remain of the opinion, that if circumstances favoured the rate should be lowered to $2\frac{1}{2}$ per cent.?—Yes.

3332. Under any circumstances would you go lower than that?—If the value of money was much less than $2\frac{1}{2}$ per cent., I would go lower.

3333. In fact, you would follow the market rate?—Yes.

The Eight per Cent. Rate of Interest of October, 1847.

3361. Mr. Cayley.] The Committee understood you to say, that September and October, gold was coming in, when the rate of interest was 6 and 7 per cent.; why was it necessary to raise it to 8 per cent.?—He stated that the rate of interest at Hamburg was $7\frac{1}{2}$ per cent., and a high rate prevailed generally on the continent, therefore it was considered necessary to have such a rate in this country, that we might be sure that instead of checking the influx of bullion, we should encourage it.

3362. Did you recommend 8 per cent.?—As far as I was individually concerned, I approved of it.

3363. Did any member of the Bank direction recommend the rate of 8 per cent.?—If you mean to ask was it an official recommendation by the Bank, my answer is, the Court had nothing to do with it; the Deputy-governor and myself, or another member of the committee of treasury and myself, who had constant communication with Government, and it was stated, that the intention was to put a high rate of interest, and I constantly stated, as far as my knowledge went, that I thought a high rate of interest was necessary to encourage the importation of bullion, but that a lower rate of interest would not do so.

3364. In your communications with Government, was 8 per cent. recommended by the Governor of the Bank, as acting for the Bank?—On the particular occasion, immediately preceding the letter, the suggestion came from the Government, but, in previous communications with the Chancellor of the Exchequer, I stated something of the sort, speaking in my individual capacity.

3365. Is it true that a higher rate than 8 per cent. was recommended to the Government?—There was a discussion whether it should be 8 per cent. or 10 per cent.

3366. Is it true or is it not true, that when Government stated to you that 10 per cent. had been suggested to them, you stated that 8 per cent. was quite sufficient?—It is quite true that there was an idea of 10 per cent., and I then stated, that in my opinion, 8 per cent. would be a sufficiently high rate to meet the exigencies of the case.

3367. Can you state who recommended 10 per cent.?—I cannot.

3368. Was it any member of the committee of treasury who recommended 10 per cent.?—I think the suggestion came from the Government; it was a subject of conversation repeatedly at the time, but as I never expected to undergo an examination upon it, I cannot speak accurately to it.

3369. Do you remember who suggested that Government should divide the profit upon the increased issues of the Bank after the Government letter?—No, I do not; but I think it arose out of the terms of the Act, in which it was enacted, that the profit upon the issue beyond the 14,000,000*l.* is to go to the Government, and therefore it was probably the terms of the Act which originated that idea.

3370. Did the Government letter give an idea to the public that the Bank of England would have greater power than before to accommodate the public in that time of panic?—The issue of the Government letter led the public to

expect that the Bank would be ready to make them any advances they might require, provided the security was such as the Bank might be willing to take, and the rate of interest 8 per cent.

3371. It gave the public reason to believe that the Bank was stronger for the purpose of giving accommodation?—It gave the public reason to believe that, provided the Bank was not able to maintain the Act in consequence of the relief granted under the letter, the Bank would be protected by an Act of indemnity.

3372. But the idea that the Bank had obtained increased power to accommodate the public, led to a termination of the panic?—The issue of the Government letter had the effect of putting an end to the panic.

3373. From the public entertaining the opinion that the Bank was in a stronger position than it was before?—I will not say from the opinion that the Bank was in a stronger position than it was before, but that the Bank might give additional assistance without looking to the state of its reserve.

As to the Bank borrowing on Stock in April, 1847.

3392. Mr. Cayley.] If the public look to the Bank in times of pressure to assist commerce, would you not say that it was one cause of the pressure, that in conjunction with a very low reserve, they should see the Bank going to obtain assistance for itself?—I should say that ought to inspire confidence, inasmuch as it showed that the Bank was taking measures to strengthen itself.

3393. Do you think it likely to assist public confidence, that at a time when they want assistance they should see the body upon which they depend for assistance, itself going and asking for assistance?—I do not consider making use of available securities to be asking for assistance.

3394. When any party is pressed he borrows money?—Whenever any party requires money he borrows it.

3395. Do you believe that the consternation in the mercantile mind would have been so great as it was in April if the public had not seen the low state of the Bank's reserve?—I have already stated that I think the public were alarmed at the state of the Bank's reserve.

3396. Do you think the credit of commerce is dependent upon the credit of the Bank of England? I consider that commercial credit is dependent on the credit of the banking interest of the country.

3397. Was not the fact of the Bank's requiring assistance rather likely to produce discredit?—I do not consider that the Bank was requiring assistance; it was merely that the Bank was doing that which had been done on former occasions; viz., obtaining bank notes out of the Stock Exchange, from parties who had notes to part with.

3398. Was it the Act of 1844, in consequence of the separation of its two departments, that caused the Bank from its low reserve to appear in so helpless a condition, as it did in April and October?—I have stated before, that I think the Bank would have acted more prudently, if they had not allowed the reserve to go so low; but that was altogether independent of the Act of 1844.

*The Bank's advance to the Copper Miners' Company in 1847.—
The Usury Laws.*

3404. The Committee understood you that you advanced 270,000*l.*, either to the Copper Miners' Company or upon the debentures of the Copper Miners' Company; will you state what interest you had to do so at the rate of 5 per cent. when you were charging 6½ per cent. to other parties?—It has been stated to the Committee that the advance of 150,000*l.* was to a discount broker for the purpose of preventing his stopping payment; the advance was made upon his note for 150,000*l.*, secured by the debentures of the Copper Miners' Company; the rate of interest charged was 6 per cent.; it was stated to us, that unless this advance was made, certain parties who

were enumerated to us must have failed; the object therefore of this share was for the purpose of preventing the failure of himself and other parties: the first advance of 150,000*l.*, was at 6 per cent.; some short period afterwards was represented to us, that unless assistance were given to the Copper Miners' Company, the works of that Company must be wholly stopped, and that 10,000 persons would be thrown out of employment; we therefore took the guarantee notes of several leading parties in the City of London for 120,000*l.* and to secure ourselves and them, we took a mortgage upon the property for 270,000*l.*, including the original 150,000*l.* advanced upon debentures: we were then told by our solicitor that we must reduce the rate of interest from 6 per cent. to 5 per cent., otherwise the transaction would come under the Usury Laws.

3405. It has been stated that the advantage of the repeal of the Usury Laws was that it enabled persons to get accommodation in a time of pressure: is that so?—Certainly; but unfortunately the repeal of the Usury Laws did not go far enough, because real property is still subjected to the Usury Laws and therefore those persons who want to get an advance upon real property are precluded from getting it, when the rate of interest is above 5 per cent.

3406. But the Usury Laws did not prevent the Copper Miners' Company from getting an advance at 5 per cent.?—They would not have had the advance, but for the object of assisting parties who would have failed if the assistance had been given.

3407. Then you are guided in your management, not by the strict rules which you have laid down, but by the state of trade and the state of employment of people in the country?—I think the only rules I have laid down are that we are to look to the state of our reserve and the amount of our liabilities and seeing that we were able, out of our reserve, to grant assistance to the Copper Miners' Company, we were acting upon the strict rules which were intended to lay down.

3408. But the state of your liabilities, and of your reserve, led you to charge 6½ per cent. to other parties?—This was an exceptional case; assistance could not, in consequence of the Usury Laws, have been granted, except at 5 per cent.

The Rule for determining the Bank's rate of Interest.

3439. Mr. Cayley.] What is your opinion as to the course that ought to be taken by the Bank, upon the reduction of 3,000,000*l.* or 4,000,000*l.* of the present reserve in the banking department, supposing it to be occasioned by the present disturbed state of the continent and foreign discredit; at what point of reduction would you deem it advisable to commence a contraction by increasing the rate of discount?—We ought to keep about one-third of the ordinary deposits in our reserve; the deposits vary in their nature; we have Government deposits, which are made for the purpose of paying the dividend; we have railway deposits, which are merely of a transitory nature, and we cannot deal with them in the same way as with the others; then we have banker's deposits, we know about the amount which they usually leave with us, and anything beyond that amount we consider we may be called upon to pay at any moment.

3440. Supposing there was to be a drain of gold under present circumstances, which is not impossible, and supposing trade had not yet revived in this country, and labour were generally disemployed, and there was to be an abstraction of bullion so as to diminish your reserve to 3,000,000*l.* or 4,000,000*l.* would you think it advisable very materially to raise the rate of interest?—If the demand arising from the export of bullion were greater than we could conveniently meet, we should be bound to put up the rate of interest, or to restrict the assistance that we should give, to such an amount as would enable

is to maintain the reserve at the point which we might think safe with respect to our liabilities.

Opinions of the Bank Directors on the Bank Act of 1844.

3446. *Mr. Cayley.*] Do all the Directors of the Bank approve of the Act of 1844?—I cannot say.

3447. Do you think that the majority of the Directors of the Bank are in favour of the Act of 1844?—I think opinions are nearly balanced.

3448. If the majority of the bankers and merchants in London were to depose to very serious losses having been sustained from the operation of the Act of 1844, would you say that they were competent to judge of its effects?—I do not think it ought to bias their judgments.

3449. Who do you think are the best judges of the law, those who administer it, or those who experience its effects?—I would leave it to the intelligence of the whole community to judge.

The injurious effects of the Bank Act.

3450. *Mr. Cayley.*] You have described as no part of the operation of the Act of 1844, that you were, during the year 1847, obliged to lend consols instead of notes, on account of the limit prescribed by the Act; that you borrowed on consols in April; that you were obliged to raise the rate of discount to 9 per cent.; that you refused loans on Exchequer bills; that there was a pressure in April, and a panic in October, and that Government were obliged to interpose by a letter, in order to protect the public from the restrictive effects of the Act; do you call that a satisfactory history of any system?—The lending of consols was not in consequence of any restrictions in the Act, we lent consols, because it suited us better than to make an advance out of our reserve; it had nothing to do with the Act of 1844; it was merely a banking operation; it was optional with us to have gone into the market, and borrowed money upon consols, or to have lent them to the parties for themselves to borrow upon them.

3451. If you had had plenty of notes in your reserve, would you have advanced consols?—It was not the Act of 1844 which prevented our having notes in the reserve; whether the Act of 1844 had existed or not, the principle upon which banking ought to be based, in my opinion, ought to be the same.

Treatment of Country Bankers by the Bank.

3455. *Mr. Cayley.*] Have not some country banks been induced to adopt Bank of England notes instead of their own notes?—Yes.

3456. Do you remember whether the Government held out to Parliament, in 1844, the advantages that the public might expect from the inducements offered to country bankers to abandon their own circulation?—I do not.

3457. Do you remember whether the country banks had the same inducement to give up their circulation before the Act of 1844, and subsequently?—Those parties who chose to withdraw their own issues, and to adopt the Bank of England circulation, had advantages equivalent to those now granted to bankers compounding under the Act.

3458. What were the advantages given before 1844 to the banks which gave up their circulation?—They were allowed to have a certain amount at a lower rate than the market rate of interest.

3459. Was that rate generally 3 per cent discount?—It was.

3460. Was this arrangement broken through immediately after the Act of 1844 was passed?—The Act of 1844 closed the accounts, and substituted a composition of 1 per cent. per annum.

3461. Was the change approved of by the banks which had been induced to abandon their circulation?—I am not aware.

3462. Do you remember whether those banks which had before given up their circulation, upon the change of the conditions claimed the right to resume their circulation?—I do not.

3463. Did they claim a right to resume their circulation when the conditions were altered which induced them to give it up?—Not that I am aware of.

3464. Subsequently to the Act of 1844, were the conditions altered to 4 per cent. rate of discount instead of 3 per cent.?—They were entitled to the 1 per cent composition under the Act of Parliament; but some parties, instead of taking the composition, were allowed a certain amount of discount at a reduced rate.

3465. Are you prepared to say, that after the passing of the Act of 1844, you did not so far change the conditions with those banks which had given up their circulation, as to charge them 4 per cent. discount instead of 3?—Whatever changes were made were for the mutual accommodation of all parties, and by mutual consent.

3466. Are you prepared to say, that no banker objected to this change of system?—I am not aware of it, but it would not have come under my notice; it would have come under the particular notice of the Governor and Deputy-governor of that day.

3467. Are you prepared to say, that with respect to banks which had been induced to give up their circulation in consequence of more favourable conditions, the Bank of England, after the Act of 1844, did not charge them 4 per cent. rate of discount, at the time the rate of interest in the money-market was $2\frac{1}{2}$ per cent.?—I am persuaded that the Bank did not take advantage of the Act of 1844, for the purpose of putting them in a worse position than they were before.

3468. If it did, you think that the Bank of England acted unfairly towards those banks?—Supposing the Bank to have made use of the Act of 1844 for the purpose of exacting more from the country banks than they could have done before, I think the Bank was not acting fairly.

3469. Do you remember testimony having been given by a witness before the Committee of 1841, which was quoted by the Chancellor of the Exchequer in the House, with respect to the inducements offered to the country banks to give up their circulation?—No, I do not.

3470. You are not aware that that Banker stated, that in consequence of the conditions offered him by the Bank, he had been induced to give up his circulation, and that he thought in consequence of the conditions being very favourable, the public would not be deprived of any advantage by his having given it up?—No, I am not aware of it.

3471. You do not know that Mr. Wright, of Nottingham, gave that evidence?—No, I do not.

3472. You do not know what the amount of his circulation was, at the time he entered into an agreement to give it up?—I do not.

3473. You do not know upon what terms he had 50,000*l.* in lieu of the circulation?—I have heard the circumstance mentioned, but at this moment I cannot recall it.

3474. Supposing the agreement with Messrs. Wright, in order to induce them to give up their circulation, had been equivalent to advancing them discounts at the rate of 2 per cent., and that they were induced to give up their circulation in consequence of that advance, would you think it fair that they should be charged 4 per cent. immediately after the Act of 1844 came into operation?—I cannot answer that question without knowing all the circumstances.

3475. Do you remember whether, in consequence of the revocation of

that agreement, Messrs. Wright paid off in cash the whole amount of their loan?—I have some recollection of it, but not sufficient to enable me to speak to it.

3476. You do not remember whether they immediately paid it off, on the correspondence closing, and on the Bank ceasing to become their agents?—I do not remember.

3477. You do not remember whether it was paid off at once, or by instalments?—I have no recollection.

3478. Were Messrs. Wright compelled to pay the 50,000*l.* which they had on loan immediately, rather than submit to what they considered to be unfair treatment?—I am unable to say.

3479. Do the Committee understand you that all other bankers submitted to your terms?—I am unable to state whether that is the case or not.

3480. (To Mr. Prescott.) Are you of the same opinion with Mr. Morris upon the subject of the treatment of the country bankers, who agreed to give up their circulation?—Not being sufficiently aware of the facts, I would suggest that they would be best ascertained from the Governor of the day.

3481. Do you know what the opinion of the Directors of the Bank is generally upon the way in which the country bankers have been treated?—(Mr. Morris.) My impression is, that in the opinion of the Court, no advantage has been taken intentionally of the country bankers, in consequence of the Act of 1844.

3482. If some of them agreed with the Bank to issue Bank of England notes in lieu of their own, upon the condition of receiving discount at 2 per cent., and that rate was increased afterwards to 4 per cent., you would consider that very unfair?—If the Bank took advantage of the Act of 1844, in making that alteration, they could not have acted fairly towards them, but I am quite sure that if the country bankers lost any advantages which they before possessed, compensation must have been made to them.

HOUSE OF COMMONS, 21st March, 1848.

James Morris, Esq., Governor of the Bank of England, and
Henry James Prescott, Esq., Deputy Governor of the Bank of England,
further examined.

Amount of Gold and Silver in Circulation.

3483. *Chairman.*] Can you give the Committee any information with respect to the amount of gold and silver in circulation?—(Mr. Morris.) A calculation has been made by our chief cashier; he seems to make the gold in circulation on the 1st of January, 1848, 44,835,000*l.*; but that is an exceedingly rough calculation; it has been supposed to range between 40,000,000*l.* and 60,000,000*l.*

3484. Does that include the gold in the Bank reserve?—The 44,835,000*l.* is supposed to include the amount of gold coin in the Bank.

3485. What is the amount of silver?—The amount of silver is supposed to be about £11,000,000*l.*; but that includes the amount of coin in the colonies.

3486. Your chief cashier has paid a good deal of attention to the subject, has he not?—I am not aware that he has paid more attention to it than other parties; but he has based his opinion upon a calculation.

3487. Have you the particulars of the calculation?—Yes; from the calculations made upon the calling in of the light gold coin in 1842 and 1843, it was supposed that the amount of sovereigns in circulation was about 26,000,000*l.*; the sovereigns put into circulation from January, 1844, to January, 1848, were 17,702,000*l.*, making together 53,702,000*l.*, from which

deduct sovereigns sent to America, 4,000,000*l.*, and light sovereigns abstracted, 4,867,000*l.* making together 8,867,000*l.*; it will leave in circulation on the 1st of January 44,835,000*l.*; this calculation does not include the 6,000,000*l.* of coin which we had at the Bank and at the various branches. I have another calculation, made by a party who is equally capable of making it. In June, 1842, gold with the public, 31,500,000*l.*, with the Bank, 4,500,000*l.*, making together, 36,000,000*l.* From July, 1842, to December, 1847, 28,502,254*l.*; melted at the Mint of light gold, 15,857,113*l.* which, deducted from the 28,582,254*l.*, leaves 12,645,141*l.*; exported in 1846 and 1847, 4,000,000*l.* that leaves 8,645,141*l.*, and that added to the 36,000,000*l.*, makes 44,645,141*l.* supposed to be the amount of gold coin in the country.

3488. That is very near the other calculation?—Yes, except that the one includes the amount of gold coin in the Bank, and the other is exclusive of it, so that there is a considerable discrepancy between the two, which shows the difficulty there is in arriving at an accurate result; but the general calculation is between 40,000,000*l.* and 60,000,000*l.*, which is a very large range.

Average time Notes remain in Circulation.

3493. *Chairman.*] Can you give any information with respect to the amount of notes of different denominations in circulation?—Here is “An Account showing the Average Amount of Bank of England Notes in circulation, distinguishing the denominations, together with the number of days the Notes remained out in the October quarter 1843, 1844, 1845, 1846, and 1847.”

[*The Witness delivered in the same, which is as follows :*]

AN ACCOUNT, shewing the average Amount of Bank of England Notes in circulation, distinguishing the denominations, together with the number of days the Notes remained out, in the October Quarter 1843, 1844, 1845, 1846 and 1847.

Notes.	October Quarter, 1843.		October Quarter, 1844.		October Quarter, 1845.		October Quarter, 1846.		October Quarter, 1847.	
	Amount.	Days.	Amount.	Days.	Amount.	Days.	Amount.	Days.	Amount.	Days.
£	£		£		£		£		£	
5	4,879,000	88·0	5,651,000	86·8	5,911,000	77·8	6,143,000	80·6	5,816,000	71·9
10	3,440,000	91·3	3,881,000	91·4	3,992,000	78·3	4,046,000	79·5	3,759,000	73·6
20	1,221,000	67·4	1,417,000	66·7	1,473,000	58·6	1,458,000	58·9	1,398,000	54·3
30	302,000	23·2	264,000	23·0	236,000	21·1	228,000	20·8	218,000	19·3
40	264,000	17·4	221,000	17·2	205,000	15·5	193,000	15·0	180,000	13·3
50	1,548,000	46·2	1,751,000	48·5	1,773,000	39·8	1,660,000	40·1	1,636,000	37·9
100	1,894,000	34·9	2,249,000	34·1	2,383,000	29·0	2,243,000	27·1	2,294,000	26·2
200	392,000	14·8	399,000	14·4	400,000	12·9	373,000	12·3	362,000	10·9
300	370,000	12·2	397,000	12·4	388,000	10·8	381,000	10·8	354,000	9·9
500	870,000	14·1	827,000	13·8	903,000	12·1	794,000	12·0	803,000	10·1
1,000	2,924,000	12·2	3,082,000	10·3	3,432,000	10·1	2,921,000	8·9	2,355,000	7·2

3494. *Sir Robert Peel.*] Will you have the goodness to explain the words “remaining out”?—The average time the notes remained in circulation from the period of their issue until their return to the Bank.

3495. The “remaining out” includes every purpose for which they are out?—Yes; and in times of pressure they return more rapidly to the Bank than at other periods.

3496. *Mr. Hume.*] Is there any general average to be arrived at from that paper?—The average is with respect to the time that notes of a certain amount remained out.

3497. *Mr. Spooner.*] Does that include the branch banks?—No, it does not; there is a greater difficulty in making the calculation for the branches; those are the issues in London.

3498. Can you form any idea whether the notes come in more rapidly or less rapidly at the branches than at the Bank of England?—I believe they remain out for longer periods at the branches; and sometimes at the branches they are re-issued.

What is "the Circulation"?

3508. *Chairman.*] When you speak of paper circulation, what is it that you consider as circulation; is it the notes with the public, or the notes out of the issue department?—In speaking of the issues, I speak of notes out of the issue department.

3509. But when you speak of the paper circulation, do you consider the practical circulation to be that which is shown by the returns to come out of the issue department, or that part of the circulation which is in the hands of the public?—When I speak of the circulation, I include all the notes out of the issue department; but the amount of notes with the public is affected by the Bank having a larger or smaller reserve, and it is equally affected by the amount of the reserves of all bankers.

3528. How far do you consider that the amount of notes held in reserve by the Bank is to be considered as circulation?—It is difficult to say how far the reserve of notes held by the Bank may be considered as circulation; still, as representing balances, they may be considered as acting the part of circulation, in so far as payments are made by transfers from the balance of one account to that of another.

3529. Would you call this circulation at all?—No, not according to the usual meaning of the term.

3530. You would call the notes in the hands of the public real circulation?—The general acceptance of the word "circulation" includes notes out with the public, whether they are in the pockets of individuals or in the hands of private bankers.

3531. But it does not include the Bank reserve?—No.

3532. Are those notes actually kept in reserve, or is it merely a matter of account?—It is a matter of account; they are paid in and cancelled, as the Bank does not re-issue notes; when they are called for, fresh notes are issued against them.

Has the Circulation Fluctuated in accordance with the Bullion?

3510. *Chairman.*] As far as regards prices, do you consider that the variations out of the issue department affect prices, supposing the same sum of money to remain in the hands of the public?—The notes out of the issue department would be acted upon by the larger or smaller amount of reserve held by the Bank of England, or by any other bankers.

3511. Do you consider, then, that the amount of the reserve held by the Bank is of considerable importance?—Yes, I do.

3512. Do you think that that part of the subject was considered before the Committee of 1841?—I do not recollect.

3513. In the course of the difficulties of the last year, has the amount of the circulation in the hands of the public at all varied as the amount of the metallic circulation would vary?—The notes with the public did not vary exactly with the bullion, on account of the action of the Bank's reserve.

3514. It has had no reference to it?—Yes, it has had reference to it; but it has not varied to the same extent.

3533. Do you think that the Act of 1844, admitting it to be founded on the best principles, has actually carried out the principle, if the circulation in

the hands of the public does not vary in any respect with reference to the fluctuations in the bullion?—Yes, I am sure that it has carried out the principle. The Act of 1844 has only to do with the issue department, and as far as the issue department is concerned, the Act has been fully carried out.

3534. I have no doubt that the Act has been fully carried out so far as the law is concerned, but has the principle which was intended to be carried out by the Act been carried out, if the circulation in the hands of the public does not in any way vary with the variations of the bullion?—The great object of the Act was to secure the convertibility of the note: by limiting the issue department the convertibility of the note is preserved; but the Act of 1844 went to provide that the banking interests of the country should carry on the transactions upon sound principles.

3535. I would recall your recollection to the evidence given before the Committee of 1841; do you not think that in that evidence it was expected that the amount of notes in the hands of the public would vary with reference to the bullion?—I cannot say what the expectation was.

3536. You have naturally turned your attention to the writers upon the subject?—Yes.

3537. Do not you think that those writers expected that the amount of notes in the hands of the public would, to a certain extent, vary with the fluctuations of the bullion?—The object of the Act of 1844 was to make a mixed currency act in the same way as a metallic currency; whether parties dealing with that currency affected it by different principles of proceeding is not the question; but the object of that Act was, to make a mixed currency act upon the same principles as a currency based upon the precious metals would have done.

Management of the Bank since 1840 has been on the plan of a division of Departments.

3689. Mr. Wilson.] I wish to place upon your evidence what is the real practical difference arising from the separation of the two departments; prior to the separation of the two departments, you would have called that a reserve of bullion, and since the separation of the two departments the only difference is, that you call it a reserve of notes; but the two are perfectly identical, and as you before stated, it was a mere matter of account?—It was a mere matter of account, and, as I have stated before, we ought to have kept our accounts in the same way, whether the departments were separated or not.

3690. Then the effect of the two departments of the Bank would really not practically go beyond the matter of account?—The separation of accounts took place in 1840, independently of the Act.

3691. That is, you kept the two classes of liabilities in separate accounts?—We had the same distinction in the separation between the issue and banking departments that we have now; we considered that a certain amount was issued against securities, and a certain amount against bullion, and as a matter of account, that amount was kept as separate as it is under the Act.

3692. That is, knowing that your deposits were acted upon by one principle, and your circulation by another principle, you always kept a distinction between the two liabilities with regard to the amount of reserve which you held against each?—We separated them as a matter of account, in order that we might know what the real amount of reserve of notes was, for the purpose of meeting our liabilities.

3693. But you did not call them notes then, you called them bullion?—We called them notes then.

HOUSE OF COMMONS, 28th March, 1848.

WILLIAM COTTON, Esq., Examined.

3929. *Chairman.*] How long have you been in the direction of the Bank of England?—Since April, 1822.

3930. You were Governor of the Bank at the time of the passing of the Act of 1844?—I was; I had then been Governor of the Bank 2½ years.

3931. How long were you Governor and Deputy-governor altogether?—I was one year Deputy-governor, and three years Governor of the Bank.

3932. You were, I apprehend, in communication with the Government at the time when the arrangement was under consideration, and when the Bill was passed?—I was.

3933. What were the objects which you considered the Bill of 1844 contemplated?—The Bill of 1844 was intended to accomplish the security of the circulation, and to prevent any discredit of the paper circulation of the country.

3934. Do you consider that so far as regards the convertibility of the note, the Act of 1844 has entirely accomplished its object?—I consider that it has entirely accomplished its object.

3935. It has been stated to the Committee in the course of the evidence, that a danger might have arisen to the security of the Bank and the convertibility of the note, should the Banking department of the Bank have suspended payment?—I can hardly tell what the effect would have been of the Bank of England banking department stopping payment; it would have created great discredit, but whether it would have destroyed confidence in the convertibility of the note I am not so sure, if at the time there was abundance of gold in the issue department of the Bank to meet any ordinary demand that might be made upon it.

3936. Supposing at the time when the panic was at its height the banking department had got into difficulties, and had been unable to meet its demands, do you think in that case there would not have been a run upon the Bank for gold, notwithstanding the large amount of gold in the issue department, and would there not have been a risk from the panic of the Bank being unable to pay its notes in gold?—In the first place I think that with the large amount of securities which the Bank, as a bank of deposit, had at its command, there was no probability of its stopping payment; it might have inconvenienced parties by not giving them the accommodation they expected, but I can hardly contemplate the case of the Bank, with the amount of its convertible securities, and deposits which might be relied on, actually stopping payment.

3937. You believe that if not impossible it would have been highly improbable that the banking department should have stopped payment?—I do not think it was possible for the banking department to have stopped payment.

3938. Do you think that in a time of difficulty the Bank could have easily converted its securities into notes?—At some sacrifice it might have done so, and it would have been the duty of the Bank, as it would have been the duty of any other banker, to have submitted to that sacrifice rather than stop payment.

Favourable opinion of the Bank Act.

3950. *Chairman.*] What do you think would have the effect, supposing, since 1844, the limitation with regard to the issues of private banks had not been in operation?—If the limitation of the issues of banks had not been in operation from the period of 1844, and considering the variety of transactions that were going on in the country, I believe we should have had the country full of a paper instead of a metallic circulation.

3951. You believe that the country banks would have been tempted to

issue their notes largely during the years 1844 and 1845?—I have no doubt that the country banks in that time of prosperity would have been induced to issue very largely, and that a vast number of banks of issue would have been established, thus substituting paper for a metallic circulation. I form my opinion from what occurred, I think, in the year 1836, when, if I mistake not, sixty additional joint-stock banks of issue were formed in one year.

3952. Had you any expectation that the Act of 1844 would mitigate these commercial crises?—I had such an expectation, and I have no hesitation in saying, that I think the Act of 1844 has materially mitigated the commercial crisis, and that if it had not been for the Act of 1844 limiting the amount of issues of notes on securities, the commercial crises to which you allude would have been infinitely more severe.

3963. Will you now proceed to the difficulties of April 1847; and will you state whether you think that the Act of 1844 contributed to mitigate the crisis at that time?—I do not think the Act of 1844 contributed to mitigate the crisis, for whenever there is a commercial panic, and there is a want of capital or money, it is a mitigation of the inconvenience to supply them with all that they demand; but then I consider that the supply of that demand would have been ultimately injurious to the country.

3964. But the point which I was anxious to obtain your opinion upon was this. There was an impression that the Act of 1844, by compelling the Bank to take earlier and more gradual steps relating to the circulation, would have mitigated those crises, and that they would not be so severe as they had been under the former system?—Contemplating all that has occurred within the last few years, and supposing the Bank had retained unlimited power of issues, the crisis would, in my opinion, have been more severe; and that really solvent and substantial houses, banking houses and others, would have suffered more than they did in April 1847.

3965. Do you think that the Act of 1844 compelled the Bank, or induced the Bank, to take earlier steps than it would have taken if there had been no such Act in operation?—I have no doubt that it did.

3966. Were those steps, in your opinion, more gradually taken than they would have been if the Act had not been in operation?—I think they were.

3979. Do you think that the Act of 1844 contributed to mitigate the pressure of October?—I think the pressure in October, if the Act had not existed, would have been very much worse than it really was, inasmuch as there would have been a currency discredit as well as a commercial discredit, and instead of the Bank having 8,000,000*l.* of treasure in its vaults, in all probability it would not have had more than 4,000,000*l.* or 5,000,000*l.*

3980. If the Act had not been in operation in October, do you think the Bank would have been in a difficulty, and not able to pay its notes in gold?—If the Act had not been in operation, my opinion is, that we should have been compelled to press more severely upon the commercial public than the commercial public were pressed upon, in order to preserve the convertibility of our notes.

3981. But would you have had the difficulty to preserve the convertibility of the note that you had in 1825?—We should have had more difficulty than we had even in 1825, if it had not been for the Act of 1844.

3990. Did you, when the Act was first passed, expect that the circulation in the hands of the public would have so little reference to the amount of bullion?—I did not expect that there would be any great increase of notes in the hands of the public; when there was a large amount of bullion and a large amount of issues, I supposed that there would be a larger amount of notes unemployed in the Bank of England banking department to meet any demands upon it.

3991. Then your expectation was, just as it turned out, that the notes in

the hands of the public would have remained with very little variation?—I expected that there would be more variation, but not to the extent of the increase of bullion, because the notes in the hands of the public are those which are required for the common transactions of life, and do not increase immediately upon the increase of bullion.

3992. Before the Act was passed, you had actually kept the accounts of the Bank as if the Act had been in operation?—During the time I was in the chair, an account was kept, to test, as far as we could, the principle of the operation.

3993. You were then aware of the operation of the Act, even before the Act was passed?—I believe, as far as calculation went, I was; in point of fact, it was working the principle of the Act before the Act was passed.

3994. And you were prepared to find that the amount of notes in the hands of the public would vary very little under the operation of the exchanges?—I think I was; but it was not a subject which attracted my particular attention.

3995. At any rate it has not surprised you?—It did not create in me that surprise which others have expressed.

3996. It is perfectly consistent with what you expected from the working of the Act?—I have great difficulty in saying exactly what I expected.

3997. I will put it in another way; it is consistent with what you considered ought to have been the operation of the Act?—I think the notes in the hands of the public are not likely very materially to be increased by the influx of gold; the circulation under the control and command of the public increases in proportion to the increase of the gold; but the notes actually out of the Bank's hands, and in the hands of the public for the ordinary operations of trade, I do not think would increase in proportion to the increase of gold.

3998. Do you consider then that the circulation really is that which is represented by the issue returns?—I do.

3999. And that includes the notes of which the public has the command, as you express yourself?—Yes.

4000. But the public have not got those notes?—They may have them if they wish it; their placing them in deposit in the Bank, is no more than placing them in deposit in the hands of any other banker.

Are Deposits Circulation?

4001. *Chairman.*] Were you one of those who were of opinion that the deposits in the hands of the Bank were circulation before the Act of 1844 was passed?—I was; the deposits remaining in the hands of other bankers were always considered circulation, I considered that if the issue department was kept separate from the banking department, the notes in the banking department were part of the circulation.

4002. I need not ask you whether you have ever referred to the evidence before the Committee in 1841 and 1842?—In the evidence before the Committee of 1841 and 1842, the notes out of the Bank of England were always considered as the circulation.

4003. I refer to the point, whether your deposits were considered circulation or not?—I have not said that the deposits are circulation; I say that it is only those deposits in the Bank of England which have not been employed, which should be added on to the amount of circulation with the public; the deposits are not circulation; there may be a larger amount of deposits, and yet no increase in the circulation.

4004. You were of opinion, I apprehend, that this circulation, composed of notes and coin, should vary as a metallic circulation would vary?—I consider that it should vary as a metallic circulation would vary, and that it has varied as a metallic circulation would vary.

4005. And you think that that has been effected by the Act?—I think it has.

4006. With that principle, before the Act of 1844 passed, and before you had had experience in seeing the working of the Act in the private accounts which you kept as a director; supposing that you found that there had been a large drain of gold to the amount of 5,000,000*l.*, and that during that time there had been little or no variation in the circulation as represented under the old returns, should you have been satisfied?—I do not exactly understand the question.

4007. Under the old returns you had the bullion representing the bullion in both departments, and the circulation with the notes in the hands of the public, plus the Bank post bills, which we will lose sight of for the present; if previous to the passing of the Bill you had found that there had been a very great drain of gold, say 7,000,000*l.*, with very little variation of the notes in the hands of the public, would you have thought that right?—I should have conceived that there would have been some abatement of the notes in the hands of the public, but a much larger abatement of the notes in the deposits of the Bank, the action of the export of gold acting upon the deposits in the Bank, and the demand which the public have on the circulation.

4008. You would have expected to have found a diminution of notes in the hands of the public, the circulation, as it was then called; not a proportionate diminution, but some diminution?—Exactly.

4009. And you would have been dissatisfied if that had not appeared?—I should have been dissatisfied if that had not appeared in some degree. Under former circumstances, as the gold went out, the paper circulation generally increased, and tended to drive out the gold.

4010. That was one of the reasons why you were in favour of this alteration?—It was.

4011. Looking to the returns, are you quite satisfied that with the variation of gold there has been so small a variation in the notes in the hands of the public?—I do not think it creates in my mind material dissatisfaction, though I should have expected that it would have produced more effect.

4012. Is there not a fault somewhere?—I doubt very much whether there is a fault anywhere, because I include in the circulation the unemployed deposits in the hands of the Bank.

4013. You include that now, but before the Act and before the two departments existed, you would not have included that at all in the circulation?—Not before the Act; nor before the principle had been considered and tested.

Objections to the Suspension of the Act.

4035. *Chairman.*] Returning back to the Act of 1844, it has been very much pressed upon the Committee, that it would be expedient to give power by the Act itself to relax in case of difficulties, and to issue upon securities beyond the amount of £14,000,000; what is your opinion upon that point?—My opinion is, that such a power of relaxation would be destructive of the principle of the Act.

4036. You are entirely against giving that power by law?—I am.

4037. Are you entirely against exercising that power without law?—I am not, when an extreme case arises.

4038. Do you think that in October last it was an extreme case?—My impression is, that it was not an extreme case, and that the panic of October would have passed over; but I do not presume to think that I am so well acquainted with the extremity of the case as those who had the administration of the affairs of the country.

4039. As far as your opinion goes, do you think that the letter which the Government issued might have been dispensed with?—If it had rested entirely

upon my own responsibility, I should have dispensed with that letter; but I am at the same time free to confess, that I was not sufficiently informed as to all the circumstances of the country to form a correct opinion; and I have confidence that those who determined upon the issuing of that letter had superior information to that which I possessed.

4040. The letter having been issued, you now have the experience of the effects of that issue?—I had no doubt of the effect of the issue of that letter.

4041. What was the effect of the issue of the letter?—The effect of the issue of the letter was to diminish the panic; persons who knew that they could have any amount of notes they liked, did not demand them, and that was a proof that there was no real want of circulation, except that arising from the panic and a want of confidence.

4042. It has been represented to us, that the effect of the issuing of the letter was instantaneous?—It was so, and I was satisfied that it would be so.

4043. Has any evil arisen from the issue of the letter?—The only evil I conceive is, that parties may depend upon the issue of a similar letter in future, and which, very possibly, could not be issued with perfect security to the convertibility of the Bank of England note.

His opinion of the effect of the crisis in October.

4101. Mr. Cayley.] Do you think that inconvenience was all the evil under which the country suffered in October, 1847?—Serious inconvenience, I admit, was suffered, but no solvent houses were compelled to suspend their payments in consequence of the pressure of 1847.

4102. Would you say that solvent houses did not sustain great losses?—I speak of those which suspended their payments; I have no means of saying what losses solvent houses sustained.

4103. Have you any doubt that solvent houses did sustain very great losses in April and October, 1847?—I have some doubts whether they did sustain very great losses; they sustained losses from the failure of other houses, and they sustained very serious inconvenience, from having bills upon houses which suspended payment; but I am not satisfied that the solvent houses sustained any very serious losses, though I have no means of judging.

Dividends paid by Bankrupt Country Banks.

4164. Mr. Cayley.] You have heard the notes of the country bankers who suspended payments in 1825 called here waste paper; do you remember ever having seen an estimate of the average of the number of shillings in the pound that were paid by the country bankers who failed in 1825?—I do not recollect it.

4165. Did you ever hear of any estimate of between 15s. and 18s. in the pound having been paid on the average by the country bankers who then failed?—My impression is, that the country bankers showed a great deal more strength and substance than was at the time of their stoppage supposed.

Why he would not have relaxed the Act of 1844.

4178. Mr. Cayley.] You have stated, that you think the panic in October would have ceased, and that there might have been no occasion, under those circumstances, for the government letter; upon what ground would you continue the suffering of the commercial community under a panic, such as that which existed in October, 1847?—Only on this ground, that I think it is better to suffer a present inconvenience, than to derange the general circulation of the country; if the circulation of the country had been purely a metallic circulation, the country must have submitted to the inconvenience which would have resulted from people hoarding gold.

4179. Will you describe why it is necessary, in a mercantile community

which depends for its commercial operations upon credit, to measure the amount of the currency always by the amount of the precious metals?—Because I think that if that is not done, there is a great danger of the currency not being convertible into gold, and that you will have a much severer pressure at particular times, than you will have by maintaining a sound currency, based upon a metallic value.

4235. Mr. Hudson.] You have stated, that you disapproved of the letter of October being issued; had you been Chancellor of the Exchequer or First Lord of the Treasury, you would not have issued it?—I am afraid that I am not at all competent to be Chancellor of the Exchequer or First Lord of the Treasury, but my interest in the Act was such, that I certainly regretted that the letter had been issued.

4236. You would not have issued the letter, if the issue of the letter had depended upon your fiat?—I should not have taken upon myself the responsibility of recommending the issue of that letter.

4237. You stated to Mr. Cayley that you are not much engaged in business?—I am not much engaged in business at present.

4238. Therefore you have no pressing engagements at any time to meet?—No, I have not.

4239. And you have not very extensive means of ascertaining the amount of accommodation that can be obtained by commercial men?—I have only the knowledge which is obtained from my position in the Bank of England.

4240. You have stated that exchequer bills were 30s. discount?—I stated 30s., but some gentlemen said 40s.; I was not aware that they had been so low.

4241. Are you aware that there were instances in which the Bank advanced money upon exchequer bills, and that, when the loan was required to be repaid, the parties could not sell exchequer bills except at a ruinous loss, and that, in consequence, the loans were not repaid?—I did hear that something of that sort had occurred, but of my own knowledge I cannot state anything upon it.

4242. Had you been aware of that fact, would that have made any alteration in your view of the expediency of not issuing the letter?—I do not know that it would; I would have stood by the Act.

Sir Robert Peel's intention in passing the Bank Act.

4186. Mr. Cayley.] Would you say that the principal promoter of the Act of 1844, in Parliament, was a competent judge of the intention of the Act?—I think he was.

4187. How then do you reconcile your opinion with the following passage: this is the language of Sir Robert Peel on June 13, 1844. "The honourable gentlemen who had spoken last, had said that the Bank of England was always able to protect itself, and to prevent its notes from being discredited; he knew it was; he knew that when the paroxysm was at its height, and it became the duty of the Bank to make great efforts, it could, by means of great sacrifices, save itself, and ensure continued convertibility. The Bank could always maintain its credit, it could always cover its own notes, but by a tremendous sacrifice of the mercantile and other interests; that was what he wished to prevent." Would you say that the opinion you have given as to the intention of the Act of 1844, coincides with the opinion that was expressed by Sir Robert Peel?—It does; and I believe it has accomplished that object, and that we have not been under the necessity of pressing upon the commercial world in order to maintain the convertibility of the note; but during former periods, when there was a doubt of the convertibility of the note, we pressed upon the public in order to secure the convertibility of the note.

Reasons why the Bank refuses to discount for Banks of Issue.

Mr. Hudson.] 4311. You refuse accommodation to banks of issue, do you not?—We do not grant accommodation to banks of issue.

4312. Can you inform the Committee of the reasons why the Bank of England refuses accommodation to parties who issue notes?—There are, in my opinion, good reasons for that; those reasons appear in the following paper, which I have drawn up. “Issuing banks, were the right of discounting conceded to them, would keep an insufficient reserve of their own notes, of Bank of England notes or coin, perhaps none, relying on discounting with the Bank on every demand, and most pressing on the Bank when it was restricting its issues.—There are about 300 banks of issue in England and Wales, for all of which the Bank would have to provide gold.—The measure would tend to frustrate one of the objects of the act 7 & 8 Vict. c. 32, (the ultimate establishment of a single bank of issue), by withdrawing a motive to banks of issue to adopt Bank of England circulation. It would give some ground of complaint to those bankers who have already abandoned their circulation, by placing their issuing competitors on a level with themselves as to discounting. It would, as respects Manchester and Liverpool, be inoperative, there being no banks of issue at those places. It would be difficult, in times of pressure or adverse exchanges, to control the discounts; and such contraction, if enforced, would be obnoxious to such issuing banks as had been in the habit of discounting. The banks would consider they had acquired a right to discounts, and would probably ascribe to the capricious action of the Bank of England any losses consequent on a necessary contraction of accommodation.”

HOUSE OF COMMONS, *March 31st, 1848.*

William Cotton, Esq., further examined.

Why Private London Bankers are not allowed to be Directors of the Bank.

4395. Mr. T. Baring.] What is the objection to having private bankers as directors of the Bank of England?—Because they might be supposed to have a peculiar interest of their own, and there might be a jealousy on the part of other bankers if some of their body were directors of the Bank.

4396. Would there be more reason to apprehend personal interest operating in the case of a private banker, than in the case of a merchant?—I have that confidence in private bankers, that I am sure they would act in the most straight forward and honourable manner; but there would be a feeling on the part of other bankers, that it was not desirable that one of their body should be on the court when they were not there themselves.

Publication of the Bank's Accounts beneficial.

4397. Mr. T. Baring.] Will you state to the Committee whether you think the present system of publicity of the accounts of the Bank beneficial and important, or whether you would suggest the propriety of any change in the mode of publicity?—In 1844, in common with several other directors, I expressed some doubt, which is stated in our correspondence, as to the expediency of publishing the Bank accounts; but my impression now is, that if we had not published them, there would have been much more alarm than the publication has created.

4398. Your opinion is, that publicity ought to be given to the accounts of the banking department, as well as of the issue department?—Publicity having been given, I think it ought to be continued, and my experience of the past few years is, that the unauthorised publication, the speculative publication of

the state of the banking department of the Bank, would be more mischievous than the present publications.

4399. Do you think the form now adopted is the best form that could be adopted?—I do not see any reason to wish to alter that form.

4400. Does it convey to the public the exact state and position of the Bank, at the time it is published?—I think it does; it is an actual statement of the transactions of the preceding week.

The Bank refused to discount in April, 1847.

4433. Mr. T. Baring.] The Bank of England refused discounts in April, 1847?—I think they did; those parties who had a large amount under discount were refused.

4434. And loans upon exchequer bills were likewise refused?—Loans upon exchequer bills, were, I believe, refused, and the parties holding them were referred to the market.

4435. Do you consider that that was a necessary step?—I can hardly say; I was not then the governor of the Bank; but without further information, I think it was a step that I might not have recommended.

As to the Sale of Stock by the Bank during the Panic.

4521. Mr. Spooner.] Probably you do not agree with your brother director, Mr. Horsley Palmer, in the opinion he has expressed; in question 2129, he is asked, "Do you think that, under those circumstances, any parties would have been found to purchase the stock?" and his answer is, "My own opinion is, that we never should never have succeeded in selling it; but I believe the governor of the Bank is of a different opinion; he is of opinion that we might have effected a sale; the question has been put to me in another place, whether I thought it practicable that £2,000,000 could have been sold at that time, and to that question I gave an answer, that I thought it could not; but that is a matter of opinion." What is your opinion upon that point?—I do not agree with Mr. Horsley Palmer that they could not have been sold; £2,000,000 could have been sold; it might have caused a reduction of price, but what the reduction would have been I cannot tell.

4522. In question 2130, he is asked, "If you had failed in your attempt to sell, what would have been the result?" and his answer is, "If we could have effected a sale at all, the effect would have been a sale of stock to 60 or 65." Do you concur in that opinion?—I do not; I believe I could have sold £10,000,000 of stock, or at least a very large amount indeed, at 60, far exceeding £2,000,000.

HOUSE OF COMMONS, April 18th, 1848.

JOSEPH PEASE, Esq., Examined.

4574. Chairman.] You are connected with the mining districts?—Yes, with the mining and the manufacturing districts in the county of Durham.

4575. Are you connected with any bank?—Only as acting treasurer of some considerable railway companies, but not as taking out a license as a banker.

4576. Where is your residence?—Near the town of Darlington.

4577. Have those districts suffered much from the commercial difficulties during the last year?—The last year has been a time of almost unprecedented difficulty in business.

Causes of the Monetary Crisis in 1847.

4584. Chairman.] Will you state to the Committee what you consider were the causes of the commercial difficulties in 1847?—The first cause of alarm to

those who were watching the progress of events was, the anticipated importation of food from abroad, in consequence of the state of things in Ireland at the close of 1846; but seeing that the rate of discount continued low, and that money was easily obtained, parties seemed lulled into a kind of security until a decided demonstration was made by the Bank of England, which was of course carried out by private bankers, particularly in the country; up to that time there did not appear to be any decided pressure upon trade, but the moment that it was seen that the Bank of England was acting so as to reduce its circulation or to protect its reserve, alarm was then taken by the country bankers and others, who had thought the conduct of the Bank of England for some time too liberal, and then every sort of action which is familiar with gentlemen connected with commercial pursuits took place, by which overdrawn accounts were called in; money now became very scarce, discounts very difficult, and certain classes of paper were wholly refused, which had up to that time been fairly current in the market, and every one seemed to act upon the save-himself principle.

4585. When did this first commence?—I think February, March, and April were the times at which the pressure seemed gradually rising.

4586. You felt no pressure till the beginning of February?—No pressure to be regarded as at all trying, to men carrying on their business in what I consider a regular manner.

4587. The failure of the potatoe crop, and the want of corn, was the origin of the difficulties?—I am inclined to consider it so, though many of those who were, as I said before, watching events, being aware that their trade was dependent upon what many in the manufacturing and mining districts consider an arbitrary course of things; viz.—the exchanges, over which they have no control, were in some degree of alarm at the danger that there would be a decided balance of trade against this country, and that the consequences of that upon trade were sure.

4588. You do not attribute any of the difficulties to the speculation in railways?—I do attribute a portion of our difficulties to the over-investment of capital in railways; but when I look to what has fallen under my own notice in print, and when I consider what I have heard from other parties, I think it has been greatly exaggerated; I think the funds that have found their way to railway enterprizes have withdrawn a much smaller extent of money from the general commercial enterprizes of this country, than those who have not carefully watched the state of things have supposed; but I do not hide from myself that in all these things there is a secondary effect produced from that cause.

Operation of the Bank Act on the country issues. Cause of the crisis.

4597. *Chairman.*] What is your opinion of the Act of 1819 and the Act of 1844?—The Act of 1819, as regarded its general principles, I think, met with my acquiescence, as far as I could understand it; as far as it regarded the protection of the country against the depreciation of paper, I was in favour of it. The Act of 1844 took me quite by surprise; I viewed it in two lights; one as an attempt to enforce discretion by Act of Parliament on the Bank of England, and another as a kind of sinister effort to reduce prices in this country, and to obviate any free trade measures that might seem to be forcing themselves upon the notice of government. I viewed it as intended to make capital dearer, and the better to enable us to support our position with the Continent in the exchanges, to increase our exports, and to balance our imports.

4598. Will you state how you consider the Act itself has worked during those difficulties. First, let me ask you, do you consider that the Act was the originating cause of the difficulties?—Yes, so far as the Act restricted the

issues of the country bankers; at very short intervals, the bankers, according to the exigencies of their respective localities, found themselves extremely crippled; the effects of the Act seemed almost unknown, at least it did not appear to work in any way decidedly till the latter end of 1846, or the beginning of 1847; it might have been in existence, or it might not, except as regards particular cases, and the circumstances in particular localities; but speaking generally, it did not appear to operate; such is my view of it.

4599. Were the difficulties you speak of with regard to the issues of country bankers experienced before the middle of 1846?—Yes, the country bankers in commercial and agricultural districts complained that their issues were absorbed, and the price of their securities not justifying their making sales, and their reserve not allowing of their accustomed advances, they were obliged to turn away even their best customers, and to refuse, even when property was tendered to them as security, those advances which would have enabled the parties to wait for a better market, and thereby they compelled a man on the rent-day, or immediately afterwards, to sell, be the price what it might.

4600. That was the complaint that was made in districts of which you yourself are cognizant?—Yes, my own friends complained of being obliged to restrict, particularly in agricultural districts, their advances to tenant farmers and others, their reserve not allowing of their making the usual advances, and the price of securities not justifying the sale of them, and they being unable to issue notes as they had done.

4601. You are of opinion that the Act of 1844, to a certain extent, checked the issue of private banks under certain circumstances?—There can be no doubt that it did, and under peculiar circumstances, with peculiar severity; I am not speaking against any restriction upon the issues of private banks under the circumstances in which private banks and joint-stock banks are now placed.

4602. Are you favourable to the restrictions imposed by the Act of 1844, upon the issues of private banks?—I should have approved of the restriction if there had been some power in country bankers to have deposited securities, and increased their circulation when the exigencies of the district required it.

4603. As I understand you, that effect, whether for good or for bad, had shown itself before the difficulties of 1846 and 1847?—Yes, I think it had shown itself in many instances.

4604. In other respects you think the Act was inoperative till the difficulties came?—I think the Act was inoperative generally, till the difficulties came.

4605. What is your opinion on the working of the Act when the difficulties did come; do you consider that the Act was any originating cause of the difficulties?—I have always apprehended that the Bank of England would have adopted a different line of policy in the exercise of its best discretion, from that which the Act compelled it to adopt. So soon as it felt the necessity of raising its discounts in 1847, as I have already stated, the country bankers took the alarm, and a general want of confidence began to manifest itself. As the Bank was obliged still to raise its rate of interest, every one seemed apprehensive; country bankers increased the amount of bullion in their hands, and increased their reserve of notes, and many of us who were in the habit of keeping, perhaps a few hundred pounds of gold and bank notes, immediately laid up thousands in our desks and drawers; as there was an uncertainty about discounts, and about our bills being current in the market, a general hoarding ensued, and the Bank being completely alarmed at finding its reserve brought so low by the stringency of its measures still further alarmed us, till at last we came into a position of great pressure

generally. I apprehend, without the Act, the Bank could not have taken the course that it did.

Denial of discount in October, 1847, and relief afforded by the Government Letter.

4619. *Chairman.*] What was the effect produced by the government letter of the 25th of October?—I was in London two days preceding the issue of that letter, and I then found it impossible to transact business of any kind, except with Bank of England notes. For bills, and bills on the first houses in London, having only three or four days to run, Bank of England notes could not be obtained, except as a personal favour: the first houses in town answered that they would take them with pleasure, but they really had not notes at command.

4620. *Mr. Spooner.*] Did you offer them to the Bank of England?—No; I had no account with the Bank of England.

4621. Did you ask the parties whether they could get those bills discounted by the Bank of England?—No, I did not ask them that question, but I knew that they had accounts at the Bank of England.

4622. *Chairman.*] Was the effect of the issue of the letter at once put an end to the difficulty?—It was immediate.

4623. With your knowledge of the district in the north, in which you reside, supposing that that letter had not been issued, and the Act had been carried into full effect, what is your impression of the effect that would have been produced in that district?—My own impression is, that almost all commercial payments would have ceased the following week, speaking generally, and the workmen would have remained unpaid, for the bankers had universally refused to discount; no paper was discounted in the north; and expecting, in the confusion, to have to take up the private circulation, they would not part with either gold or bank notes; I was so fully aware, from what had occurred in Newcastle, of what the consequences would be upon the then state of things, that I started for London immediately, and I consider that it was only by the personal favour of my friends that I succeeded in my arrangements, although having a very large amount of what had, up to that time, been considered first-rate bills, in my pocket.

The Commercial public require the Repeal of the Bank Act.

4651. *Mr. Cayley.*] The Committee understand you to be of opinion, that the mercantile public cannot be in a comfortable state of mind till the Act of 1844 is repealed?—The commercial interests will never feel comfortable till they know that there will be a discretionary power somewhere to meet such an emergency as that we have been passing through.

4652. Have you given consideration to the question where that relaxing power should be placed; whether with the Government or with the Bank of England?—It was intended to be with the Bank of England, and I cannot see, if properly constituted, any better tribunal than the Bank parlour; but the Bank is so iron-bound, that the directors could not exercise even their common sense. I do not know where the discretion is to be if it is not in the Bank parlour; all men are flesh and blood.

Inconvenience of a gold currency illustrated. Small notes desirable.

4663. At this moment, supposing there were to be again a general contraction of accommodation, and there were to be a drain of £8,000,000 or £10,000,000 of our bullion, or more, in what state would the productive and trading classes of this country be?—I am satisfied what course I should take; desiring to keep up the appreciation of paper as much as I possibly could, under circumstances very discouraging, I should issue one or two millions of £1 notes

and thereby get the sovereigns in ; I should by that means take the sting out of the Act, though for my own part I prefer 50s. notes, and I should be glad to see 50s. notes. The present gold circulation of the country is a very harassing and inconvenient circulation indeed ; the circulation of bullion is carried to an extent that is extremely harassing to men of business ; we want a cheaper medium of circulation ; the wages that I am called upon to pay must not be less than £10,000, or £12,000, or £15,000 a month ; a great part of that I have to raise in specie : I am forced to seek that gold round about of the bankers in the district ; I frequently pay an agio for obtaining it ; and if I send the gold to London, my friends do not like to take it ; they say that whatever they weigh it at, the Bank of England always weigh it at less, and they can never get the value of it at the Bank, and they will not even return the gold to them ; and therefore, the circulation of gold to the present extent is a most inconvenient and vexatious one to men in business who have large amounts to pay ; I believe that the substitution of a lower denomination of paper-money by the Bank of England would keep much more gold in the country, without depreciating paper at all, and I think the Bank would have a larger reserve to meet any difficulties.

4664. Would you have £2, £3, and £4 notes ?—I have no objection against £1 notes ; but 50s. notes, especially if there were a power of paying a larger amount in silver, would be a wonderful relief to the working classes as to the currency.

4665. Would a 50s. note pay an individual workman's wages ?—Yes : I pay by the fortnight, and in a very large number of cases, a 50s. note will pay the wages ; and I should like to see silver a legal tender to a larger amount.

4666. To what amount ?—Two hundred pounds, or £100 at least.

4667. Do you think that would tend to replace the gold that was displaced by these smaller notes ?—The issue of 50s. notes and £1 notes would most certainly do so.

4668. And you think that the Bank would be more fortified by the large amount of its bullion so obtained against adverse exchanges ?—I have no doubt of it ; I wish particularly to guard myself, by saying that the £1 notes should be Bank of England circulation.

4790. Mr. Wilson.] You stated that your remedy for a period of pressure would be, lowering the denomination of the convertible note, taking care at all times to secure its convertibility, by the Bank holding a sufficient reserve : will you inform the Committee of the precise operation by which you expect that the currency of the country would be relieved by a system of that kind ?—First of all, I entertain the opinion, in common with many others, that a gold currency is an expensive currency ; and I have stated the difficulty that we have in obtaining that currency, and the depreciation at the Bank of England from the loss of weight. Some of my friends in London have told me, that since they have taken gold as of the proper weight from country bankers, they lose £200 or £300 a year from its being reported by the Bank of England as below weight by their scales. First of all, there is the expense of the gold ; and taking the gold in by the issue of £1 notes would tend to lessen the pressure in time of scarcity ; I can have no doubt, speaking of my own district more particularly, that every one of the notes issued, or a very large proportion of those notes, would be repaid in sovereigns, which would find their way to the Bank coffers.

4791. Then it would really place at the command of the country so much additional *bond fide* capital for profitable purposes ?—That is decidedly my view.

4792. Would you propose, in the event of a lower denomination of note being issued, and thereby the amount of the Bank circulation increased, that the Bank should hold a proportionate amount of reserve to maintain the convertibility of those notes ?—I am of opinion that the amount held of reserve

in bullion need not be increased relatively with that increase of the paper circulation; but I would be quite content to take Government securities, if they exceeded the present limits.

The Free Trade system opposed to the Bank Act.

4705. Mr. Cayley.] Do you think the system of free-trade which we have adopted, which involves large imports into this country, can satisfactorily go on with the Act of 1844?—No; I think it is one of those circumstances which are telling very strongly upon the necessity of our meeting unusual emergencies, and I regard the occasional influx of valuable commodities from abroad as an unusual emergency that must be met; and that is one of the grounds on which I advocate everything that can possibly be done to relieve the currency, so as at the same time not to depreciate the paper.

As to the Sale of Consols by the Bank during the Panic.

4734. Mr. Hudson.] You were in London two or three days previous to the issue of the government letter to the Bank?—I think I arrived in town on the Friday morning.

4735. Had you then an opportunity of ascertaining the state of the money-market?—I had.

4736. Supposing the Bank of England, during those two or three days, had offered a million of funded property in the market, do you believe it would have found purchasers at any price?—There were parties who had deposits in the Bank of England at that time, and if consols had been offered to them at a very depreciated rate, they would, reluctant as they might have been otherwise, have drawn upon those deposits, and taken the consols, but it would have been at a great depreciation; I think a price of from 75 to 78, would have induced many London bankers, and dowager ladies, and country bankers to have drawn upon their deposits and purchased stock.

4737. Those deposits were chiefly in the Bank of England?—They were in the London and country banks as well, but the country bankers were in extremely good credit; I do not believe, as regards the withdrawal of their deposits, they suffered one-half in 1847 that they did in 1825, because the failure of the bankers in 1825 brought their credit so low; I believe, comparatively, there were not drawn out of the deposits in 1847, 50 per cent. of the deposits which were drawn out in 1825 and 1826. The country banks stood well in 1847.

4738. But my question is, what the effect would have been upon the money-market, of the sale of Government securities to the amount of 1,000,000*l.*; you stated that you believed stock might have been sold at an immense depreciation; from what quarter do you think the Bank notes would chiefly come to pay for those securities?—From the depositors in the Bank of England chiefly, because the offer would have been on the Stock Exchange here; but I take for granted such an offer of depreciated Government securities would have affected every London banker and every country banker who held deposits.

Rate of Interest and State of Banking at Hamburg.

4782. Mr. Wilson.] Are you not aware, that at the present moment, in every country in Europe, there is even a greater discredit than there is in this country?—No; three weeks ago I could have discounted such bills at Hamburg, at from 4 to 3½ per cent., and I could not have discounted them here under 5 per cent.

4783. Are you not aware that in Hamburg the rates of discount fluctuate very much?—They fluctuate exceedingly.

4784. And you must be aware, if you have any acquaintance with Ham-

burgh trade, that during the last spring, one week it was 7 per cent., and the next week it was $3\frac{1}{2}$ per cent., and that Hamburg is different in respect from almost every other town in Europe; there is no regular rate of interest there?—It would be precisely so in our case, if we had such a continual fluctuation in imports and exports.

4785. Are you aware that there is no regular bank or establishment in Hamburg that has made it its avowed business to discount bills, until the one which has been established within the last few weeks?—I can hardly answer that question; I am aware that with regard to the trade I do on the Continent, the agent has found no difficulty in going regularly to his bank and discounting paper when he found the rates lower there than in London.

HOUSE OF COMMONS, 5th May, 1848.

ROBERT GARDNER, Esq., Examined.

4861. *Chairman.* You are, I believe, in trade in Manchester?—I am a spinner, manufacturer, and merchant.

4862. How long have you been in business?—Between 30 and 40 years.

4863. Has there been considerable distress at Manchester during the present year?—There has indeed, to an extent I never witnessed before.

4864. You remember the crisis in the year 1825?—Very well.

4865. Do you consider the difficulties of the last crisis to have been greater than those of the crisis in 1825?—Very much greater.

4866. Will you state to the committee upon what classes of persons in Manchester the distress principally fell?—It has been the most intense upon the poor, the working classes; but there has been also a great destruction of capital; capital has suffered more in proportion to labour than it did at the former crisis.

Effect of the Low Rate of Interest in 1846.

4870. *Chairman.* Trade was in a flourishing state in the commencement of 1846?—Yes; a good deal of business doing, but without profit.

4871. Do you consider that at that time trade was in a wholesome state?—I do not; it appeared to flourish by the great abundance of money and the great facility in getting long paper discounted: for instance, India bills drawn at six months' sight or ten months' date; if I recollect rightly, though I do not notice the working of it particularly, I think in the early part of 1846 we were at about the height of our apparent prosperity, and I think the present crisis was brought on by the excessive abundance of money and the perfect ease with which bills of long dates could be discounted at that time; the Bank of England does not discount anything beyond 90 days; I know it was very easy for parties to deposit those long bills and obtain loans upon them from the Bank of England for three months, and at the end of that time to deposit them again till such time as it came within the rules of the Bank to discount them.

Railway Speculation and Losses.

4884. *Chairman.* Have there been considerable losses in consequence of the speculation in railways?—Immense losses; I know a gentleman, formerly connected with Manchester, who stated that he paid 100,000*l.* last year in railway calls, and that he found that his property now invested in railways was worth 30,000*l.* less at the price of the day, than it was last year; that was after having paid that 100,000*l.*; on looking at the railway lists which give the current prices of the day, he found that his shares were worth 30,000*l.* less than they were last year, although he had in the meantime paid 100,000*l.* It was self-evident that the consequences relative to railways must be very disastrous and very ruinous.

Opinion of the Act of 1844.

4895. *Chairman.*] Among the causes of the distress, do you consider the operation of the Act of 1844 to have been one?—I do not feel myself competent to speak to that; many of my friends attribute the abundance of money to the operation of that Act, but I would give it as my opinion that such speculation would have been much more rife, and to a still greater extent and of longer continuance, if it had not been for the operation of that Act; that Act seemed to draw up and tighten the reins, and give to people notice that it was probable it would still do so more and more; but parties had entered into operations to distant markets, with an understanding that bankers or particular individuals, the acceptors of the consignees, would discount their bills at six months, and renew them again for six months; these operations were gone into when money was excessively cheap, and the difficulty was in realizing, or in people getting to shore, if I may use the term; for they had embarked in those operations and it was impossible to bring them to a close in less than 18 to 24 months, or even longer.

Effect of the Panic in Manchester in October 1847.

4912. *Chairman.*] I should be glad to have your opinion, as a practical man, who has been long in trade, upon this point; do you consider that if the Act of 1844 had not been in operation in April 1847, the pinch would have been less than it actually was?—I have stated before that the Act checked the ripeness of the speculation; how it might have been at that particular period without it, I can scarcely form an opinion.

4913. I am anxious, at the present moment, to compare the practical effect of the Act of 1844 in April 1847 with what would have been the state of things if that Act had not been in operation?—I have replied to that before, by saying that I believe the speculation would have been much more rife, and that it would have gone on longer, and would have been more disastrous than it has been, if it had not been for the operation of the Act; but whether or not the Act was the means of creating the abundance of money, I would not give an opinion.

4914. Will you carry your mind on to the difficulty of October; do you consider the Government acted properly at that time in suspending the operation of the Act?—At the time that letter was issued, I did not think that it would have produced the effect it did produce, and I do not think it would have produced that effect if it had not been for the high rate of interest that was fixed; and I will state my reason for so thinking:—A banker in Manchester stated to me that he had given orders to get a quantity of gold or notes almost on any terms, for he felt convinced that we were coming to a crisis, and he thought one-half of the country banks must fail; he thought nothing could save them; he said to me, "I got my money, but I did not want it; but if it had not been for the operation of that letter, I could not have got the money at any price; but because of that letter, which held out a prospect of every one getting what money they wanted at a high rate, I got my money, the full quantity I ordered, but I did not want it."

4915. Is that your opinion?—It is.

4916. You believe that if the letter had not been issued there would have been a greater commercial crisis?—I do.

A Relaxing Power of the Bank Act ought to exist.

4983. *Alderman Thompson.*] Did I understand you rightly to say, that you thought that under the Act of 1844 there ought to be a relaxing power placed in the hands of some person or other?—I do think so.

4984. In whom do you think that relaxing power should be placed?—In the hands of men who understand it.

4985. Who do you think those persons would be?—Commercial men: is not every man who understands banking operations; it would not be right for instance, to place it in my hands.

Effect of the Repeal of the Usury Laws.

4993. Mr. Hume.] Did I understand you to express it as your opinion that you doubted whether the repeal of the laws of usury (for that is a removal of restrictions) had been injurious or beneficial?—I think that if the Usury Law had been in existence we should have got through our difficulties at a much less expense; but removing one restriction and leaving others, fails to produce the desired effect.

4994. Did it come to your knowledge that money could be raised for 7 or 10 per cent. by individuals who, if the Usury Laws had existed, would have been obliged to fail for want of accommodation?—I think they would have got money on easier terms than they have done. If the Usury Laws had been in existence, 25 per cent. could not have been charged for the discount of a bill; and is it not probable that with them that bill would never have existed, but if it had, would not the same money have been applied to its discount at 5 per cent.? With the Usury Laws, every other monetary restriction ought to be removed; had they existed, the Bank of England could not have charged 10 per cent. discount; and at the ordinary rate would they not have granted equal accommodation?

The Royal Bank of Liverpool advances to Mr. Higginson.

5060. Mr. Cayley.] If you were mistaken as to the expected effect of the letter of the Government in October, 1847, which you acknowledge yourself to have been, might not that induce a supposition that you may be mistaken in your opinion as to the Act in general?—No question about it; I do not profess myself to understand a great deal of banking; I think, with respect to the management of joint-stock banks, they should be put under proper supervision; by our joint-stock banks in Manchester we have lost, in 12 to 15 years, above three millions of money; the Royal Bank of Liverpool has given credit to one individual to the amount of 550,000*l.*; I refer to Mr. Higginson, and he had an uncovered cash advance of 407,000*l.* and 143,000*l.* for which they held security, though, I believe, a good part of that security has failed them; some of our joint-stock banks in Manchester have made bad debts to the extent of 250,000*l.*; it does appear to me that it is necessary to put them under some supervision that does not exist at present. I had very large transactions with a party; I had given him credit to the amount of 50,000*l.*; his house had been purchasing sugar for Mr. Higginson, to a very large amount: I expressed my want of confidence, and he replied to me, "People who are upon the 'change and have nothing to do but to talk scandal, I am not surprised at, but I am surprised at you;" he added, "You are calling in question the responsibility of Mr. Higginson; it is true we have bought about 110,000*l.* worth of sugar for him, but in consequence of the dearth of freight, or the impossibility of obtaining it, he at one period had paid 50,000*l.* worth of our bills before he could get a document to pawn; he gave me a list of vessels which are worth 90,000*l.*; he stated, that he had 12 cargoes of sugar in the hands of brokers in London and in Liverpool, on which he had not obtained one shilling;" my friend knew that he had paid 50,000*l.* worth of bills without having an invoice or bill of lading to pledge, and he went and examined at the custom-house, the registers; he found there was no mortgage upon those ships; he got them valued; they were stated to be worth about 80,000*l.*; he went to the brokers and said, "You hold a large quantity of sugar?" "We do, we hold so and so;" "I suppose you have made a large advance upon it?" They replied, "We have not advanced one shilling;" "Now, Mr. Gardner,

here is property representing above 200,000*l.*, upon which he has not got one shilling advanced;" but he was not aware at the time that he had an uncovered balance of 407,000*l.* at the Royal Bank of Liverpool, and that he owed them a further sum of 143,000*l.* upon which they held security.

HOUSE OF COMMONS, 9th May, 1848.

SAMUEL JONES LOYD, Esq., Examined.

5105. *Chairman.*] You are a banker?—I am.

5106. How long have you been in that business?—From 25 to 30 years.

5107. You have a house at Manchester, as well as in London, have you not?—I have.

5108. Will you have the goodness to state to the Committee what, in your opinion, was the condition of trade throughout the year 1846?—The general impression with regard to the state of trade in 1846, was that it was in a sound and satisfactory state; at the same time, among reflecting persons, there was an impression that the railroad speculation had been carried to a very undue extent, and that some serious consequences must therefore ensue; and there was also a feeling that the long continued influx of the precious metals must sooner or later, and probably at no distant period, be followed by a corresponding action in the opposite direction; under this impression, the deficiency of the harvest, when it was ascertained, became a subject of serious consideration.

5109. You say that there was that impression, but was that your opinion?—Yes; I concurred in those opinions.

5110. Did you entertain much apprehension from the great speculation in railways?—I certainly thought that the demands which the railways were making upon the capital of the country were carried to an undue extent; at the same time I felt that the capital of the country was very large, and that I could not say beforehand what demand of that peculiar kind it could properly sustain.

Causes of the Monetary Distress.

5113. *Chairman.*] I need not ask you for a description of the difficulties of 1847, but perhaps you will state to the Committee what are your views of the causes which produced those difficulties?—I apprehend there can be but one opinion upon that subject, viz., that the pressure which occurred in 1847 is attributable to the heavy demand upon the capital of the country, arising from the deficiency of the harvest and the large amount of provisions suddenly imported in consequence, and that the pressure was further aggravated by the failure in the supply of raw materials, both of cotton and of wool, from which our means of making foreign payments were to arise; and by the large abstraction of capital from mercantile and trading pursuits, for the construction of railways.

5114. You attribute the difficulties, then, principally to the failure of the potato crop?—The failure of the potato crop, with the other accompanying circumstances; I mean the failure of the potato crop, and of the harvests of Europe generally.

5115. Have you made any sort of estimate of the amount of drain there was upon the country in consequence of the failure of food?—I have always understood that there was at least 30,000,000*l.* sterling of provisions imported into this country during the year 1847, and, in addition to the large increase in the import of provisions, there was a very remarkable increase in the import of other commodities, especially excisable commodities, which was supposed to be caused by the large wages given to persons employed upon the railroads.

Benefits conferred by the Bank Act of 1844.

5116. *Chairman.*] Are you of opinion that the difficulties of the year 1847

arose from the Act of 1844?—No; I think that the pressure of 1847 would inevitably have occurred from the circumstances already alluded to, whether the Act of 1844 had been in existence or not, and that the Act of 1844 had nothing to do in the way of creating that pressure, or in aggravating or increasing the pressure, but rather the reverse.

5117. You say that in your opinion the difficulties were not created by the Act of 1844, but rather the reverse; will you have the goodness to state what you mean by rather the reverse; in what way do you suppose that the operation of the Act of 1844 was rather to mitigate the difficulties than to increase them?—I think that if the Act of 1844 had not been in operation, in addition to the difficulties which then existed, we should have had the further difficulty of a serious alarm with regard to the safety of the monetary system; on former occasions we had always found that the measures necessary to meet the difficulty had been postponed, until the bullion had been brought to so low an amount that a very great apprehension with regard to maintaining the convertibility of the note pervaded the public mind. I think the Act of 1844 prevented the occurrence of that feeling in the year 1847, and therefore prevented the alarm which would have arisen in connection with that feeling.

5118. You consider that the Act of 1844 secured the convertibility of the note?—Yes, most effectually.

5119. And prevented any panic with respect to the stoppage of the Bank?—Yes.

5120. A possible danger has been stated to the Committee to which I wish to call your attention. It has been stated to the Committee, that in case the Bank had stopped in the banking department, supposing the reserve had been worked out, such alarm would have been created that there would have been an immediate run for gold from all quarters: and that it was not unlikely that great danger would have arisen of the Bank not being able to convert its notes into gold; will you have the goodness to state to the Committee whether you think such an event was possible or probable?—Of course a supposition of that sort may be made, and it is impossible for any person to say whether it would have occurred or would not have occurred. The only remark that can be made is, that that is a danger which might occur under any system for the management of the circulation that has ever been suggested, or that can possibly be suggested. The management of the circulation under the Act of 1844 seems to me to provide the best palliative against that supposed danger, and to render the occurrence of it less probable than under any other management, and also, in case it occurs, to leave the country in a better state to meet it. The supposition of an alarm with regard to the convertibility of the note, of course must arise from the apprehension that the bullion is drained too low, and that the public think it is an insufficient amount. Now it is the very purpose of the Act, and it is proved by the result to be the effect of the Act, to guard against that possibility; the bullion cannot, under the Act, be drained so low as to afford any plausible ground for apprehension of the convertibility of the note, and therefore I think that under the Act of 1844 the supposition put is least likely to occur; and also, if it did occur, the very fact that the Act has preserved a large amount of bullion, places the country in a more advantageous position to meet such a run for gold, and to prevent any fatal consequences arising from it.

5121. You were speaking of the operation of the Act of 1844; let us take the operation of the Act in prosperous times; what do you consider its effect was at those times?—I do not think the essential properties of the Act are called into action until there is a pressure from a drain of gold; the object of the Act is to protect the convertibility of the note under all circumstances, and therefore of course its efficiency is not tried till the store of bullion which is to protect the convertibility of the note is exposed to some degree of pressure.

There were incidental arrangements in the Act, which were of great value; such, for instance, as placing a fixed limit on the amount of country issues; I also regard the separation of the departments as most important, and the publication of the accounts of the Bank, which rendered the real operation of the Act more intelligible to the public, and I think prepared them to meet the difficulties of the year 1847.

Advantages from limiting the Issues of the Country Banks.

5122. *Chairman.*] As regards the issues of private banks, do you consider that the operation of the Act in a time of prosperity was of any considerable service?—I think the provision of the Act which placed a fixed limit upon the issues of private banks was of very considerable value, especially during the period when the railway speculation had the firmest hold upon the public mind; the provisions of the Act which prevented country banks from increasing their issues beyond a fixed limit at that time, materially prevented a further extension of that speculative spirit which, if it had been fomented by the increased issues of country banks, might have gone on to a most serious extent.

5123. You, in the course of your business, must have been cognizant of former periods of prosperity; do you, on comparing the conduct of those country banks during the years 1845, 1846, and 1847, with their conduct in former years, think that they have acted more prudently in the last three years than they did upon former occasions, with regard to their issues and their conduct generally?—I think, if you contrast the proceedings of the country banks of England generally, during the years 1844 and 1845, with their proceedings during the years which preceded the year 1825, the contrast is decidedly in their favour in the latter period.

5124. Would you attribute that to the operation of the Act?—So far as regards the management of their issues, I attribute it to the Act.

5125. Do you consider that the Act had a considerable effect in making them more careful in their conduct than they had previously been?—I think it very fair to assume that, in addition to the effect which it had with regard to their issues, it had an indirect effect in producing a limitation in their proceedings with regard to their general banking operations; it is, no doubt, difficult to prove that, but such is my impression.

Mismanagement of the Bank in April, 1847.

5129. *Chairman.*] You speak of the mismanagement of the Bank as one accident; when you speak of the mismanagement of the Bank, what are the points to which you allude?—I allude to the fact, that from the beginning of the year 1847 up to April, the Bank permitted its banking reserve to undergo a continuous and serious reduction of amount, until it was brought down to a point which was unsafe, and therefore alarming.

5130. Up to what time do you consider that the conduct of the Bank was objectionable?—My objection applies to the first three months of the year 1847; during those three months, the Bank allowed its banking reserve to run down too low, and did not take the measures it ought to have taken to protect that reserve, the principal of those measures being, raising the rate of interest more powerfully and more rapidly than it did.

5131. From that time, after the difficulty of April was over, do you object to the course that the Bank took?—No; I think there is no serious objection to be urged to the conduct of the Bank after April.

5132. Your objections are confined to the conduct of the Bank during the three first months of the year 1847?—They are.

5133. What is the precise objection that you have to the course they took during those three months?—It was a course contrary to all sound principles

of banking; the Bank of England, during that period, kept increasing its securities, paying for those securities out of its banking reserve, the payment made out of its banking reserve being immediately taken to the issue department, and gold taken for it; so that, taking the two departments together, the result was that the Bank, from the beginning of January to the middle of April, continually increased its securities, paying for those securities in gold which gold was going out of the country; and it did that without raising the rate of interest in a manner sufficient to protect its banking reserve. Consequently, the market rate of interest during the whole of that time was above the Bank rate of interest, and so decidedly above it, that at last it became the common subject of remark by the whole commercial community of London, wondering why the Bank was not taking more effectual measures for protecting its banking reserve.

5134. You consider that from that step the difficulty of April mainly arose.—The abrupt character of it, I think, was produced entirely by that course.

The Bank Act does not prevent sudden changes in the Circulation and in the Management of the Bank.

5135. If the Act of 1844 was supposed to prevent the abrupt character of those difficulties, what advantage is there, if, after all, there remains in the hands of the Bank the same power of producing the suddenness of the difficulty as existed before?—In reference to that question, we must distinguish between the management of the circulation and the management of the banking business of the Bank. Before the Act of 1844 was passed, the Bank was vested with the power both of mismanaging the circulation and of mismanaging its banking business; the Act of 1844 placed it out of the power of the Bank to mismanage the circulation, and in so far it was perfectly effectual in its purpose, but it left the Bank, as a banking concern, with full discretion to manage its banking affairs according to its own judgment; that is, it left the Bank with the power of mismanaging its banking affairs, and of inflicting a serious injury upon the public.

5136. Then, in point of fact, the mismanagement of the banking department by the Bank of England, is productive, as far as the suddenness of the difficulty is concerned, of the same inconvenience to the public as was caused previously by their general mismanagement?—The mismanagement of the banking business of the Bank of England may certainly produce inconvenience in an abrupt form to the public, but still the effect of the Act is to protect the circulation; if the Act of 1844 had not been in operation in the spring of 1847, I apprehend that the course pursued by the Bank up to April, would have been further pursued by the Bank, until the bullion then standing at about 8,000,000*l.* had been reduced to 2,000,000*l.* or 3,000,000*l.* and then you would have had a convulsion still more abrupt, still more severe, and rendered more oppressive in consequence of a further feeling being thrown into it of serious alarm as to the safety of the monetary system; from all those evils the Act has protected the public.

5137. The Bank in the one case has made convulsive efforts to maintain its reserve, and in the other case it would have made a violent effort to preserve its bullion; but the suddenness of the operation, so far as regards the inconvenience to the public, is very much the same in the two cases?—The efforts made by the Bank may still partake, more or less, of the character of suddenness, dependent upon the good or bad management of the banking department; but as those efforts must, under the Act, be made at an earlier period than under the former system, I think they must necessarily be less violent and productive of less pressure. The Act of 1844, as regards the circulation, has fully accomplished its object. If we are discussing the question, whether it is expedient and safe for the public interests that so large a body as the

Bank of England should be left with power to mismanage its banking operations, that is a question which I apprehend should be kept separate and distinct from the mismanagement of the circulation.

5138. I will trouble you with a question upon that by-and-by, but at present I will beg you to confine yourself to the powers that the Bank had before the Act of 1844 was passed; are you not of opinion that the Bank had always power sufficient in itself to preserve the convertibility of the note?—That is perhaps rather a difficult question to answer; when things are driven to the last extremity, the Bank has great power of acting; what would be the result of the full exercise of the large powers which it possesses, it would be very difficult for any person to say; credit would be convulsed, and in the general confusion, whilst the subordinate members of the community were sacrificed, the Bank might be saved; that is a probable result.

5139. As far as regards the foreign exchanges, they might have been brought right, if there had been no Act of Parliament, by an effort of the Bank itself?—Whenever the Bank makes a signal effort to realise its securities, the effect will be to rectify the foreign exchanges.

5140. And then a danger arises of panic?—Yes.

5141. And under the old system the difficulty was, to manage transactions in such a way as to set right the exchanges without producing an internal drain?—The objection to the old system was, that it did not create a necessity for any effort being made to adjust the exchanges, till the Bank had suffered the bullion to be reduced to an amount which did not afford sufficient means for meeting with confidence an internal drain, should it spring up.

The difference between putting on the Screw to protect "the Reserve," and to protect "the Bullion."

5142. *Chairman.*] Under the old system the Bank neglected to take measures of precaution until its reserve of gold was low, and it was obliged therefore to take strong measures, and to produce very sudden and abrupt difficulties to the commercial world; under the present system, the difficulty of the Bank is, not with regard to its gold, but with regard to its reserve, and the Bank, according to your evidence, has followed exactly the same course with regard to its reserve that it formerly followed with regard to its gold; it has neglected to take sufficiently early steps, and consequently has been obliged to take violent steps with regard to its reserve; and has it not, as regards the public, produced the same evil of abruptness, and of bringing on the difficulties with a suddenness which was unexpected when the Act of 1844 was passed?—Under the former system the Bank was under no necessity of taking any precautionary measures until the bullion was reduced to a very low amount; under the Act of 1844 the Bank is obliged to take precautionary measures when the banking reserve is reduced to a low amount; now the banking reserve is reduced to a low amount at a much earlier period than the bullion is reduced to a low amount, and therefore the Act of 1844 places the Bank under the necessity of acting protectively at a much earlier period than it was compelled to act under the previous system; in so far, the Act of 1844 has compelled an earlier action; and in addition to its compelling an earlier action, as that earlier action must necessarily take place with a higher amount of gold, it protects you from all those further inconveniences which attended the feeling of apprehension with regard to a deficiency in the actual store of gold. That seems to me to be the difference between the Act of 1844 and of the previous system.

5143. There is not much difference in the suddenness of the action?—The suddenness of the action will still depend, in a considerable degree, upon the discretion of the Bank of England; the Bank may allow its banking reserve to be exhausted before it takes any precautionary measures, and then it must

take sudden measures to protect itself; but even in that respect the Act is a great improvement upon the previous system, and I think a proof of that is found in what occurred in the first three months of the last year. Under the present system the state of the Bank's reserve is distinctly brought out, and is every week laid before the public; the public, therefore, know now, where they did not formerly, what the Bank's reserve is; they see that reserve diminishing, and the public, therefore, necessarily become apprehensive, and begin to take precautionary measures, even though the Bank neglect to do so. This actually occurred during the first three months of 1847; the public were taking precautionary measures, and the public feeling was assuming a proper character of apprehension even during the period that the Bank was neglecting its duty with regard to maintaining its reserve.

Publication of the Bank's accounts advantageous.

5144. *Chairman.*] As to the publicity with which the accounts of the Bank are now presented, do you believe that that has produced a beneficial effect upon the public?—I think the publication of the Bank accounts has been eminently useful.

5145. As a banker, in the transaction of your business, do you believe that that publication has been beneficial to the community?—I have not the slightest doubt of it; and I cannot give a better proof of my opinion upon that point than by producing this book, which is made up from the Bank accounts, and I have this every day in my office to refer to for my guidance. I have given copies of this form of account to many bankers in the country and they have been extremely obliged to me for putting them in the way of keeping it for their guidance.

5146. They have used it in their business?—Yes.

5147. And you consider it a very valuable account?—Yes; I consider it a test of the intelligence of country bankers, whether they appreciate such accounts or not.

5148. And, generally speaking, they do appreciate them?—I find many of them do.

Approves of the issue of the Government letter.

5149. *Chairman.*] Did you approve of the issue of the Government letter in October last, suspending the operation of the Act?—I feel that a person circumstanced as I am, living in the midst of the whole commercial community who were under the pressure, is the last person whose opinion can be safely trusted; subject to that remark, however, I am bound to say that I thought it was right, under all the circumstances then existing, to issue the letter.

5150. Why do you think it was proper to issue the letter?—It seemed to me that two considerations were essential, looking to the question of the issuing of the letter; in the first place, that it was absolutely necessary to be thoroughly satisfied that the state of things to which it was applied had assumed the decided character of real panic; and in the second place, that it was absolutely necessary to be well assured that the exchanges had turned in favour of this country; I felt satisfied upon both those points, and I felt considerable apprehension that the panic-feeling had reached that point at which it might produce, in the course of a few days, extensive confusion in the country; at the same time, I quite admit that it is possible that if you had persisted in maintaining the law, two or three days might have shown that it was not necessary to issue that letter; it is, I think, a matter upon which no person can give a competent opinion.

5153. Was not the effect of the issue of the letter such as was wished for?—The effect of the issue of the letter was precisely what was contemplated and wished for.

5154. And the effect was immediate?—Yes, it was immediate.

5155. But you think, in a similar difficulty, the same remedy would not necessarily be successful?—I think it is very possible it might not be equally successful; I believe the novelty of the measure, the suddenness of it, and the bold character of it, were all essential ingredients in its success; but if it were to be repeated a second time, all those ingredients would have lost a considerable portion of their power.

What he considers as "The Circulation."

5163. *Chairman.*] You have used the term "circulation" in your evidence; what do you consider the circulation now to be; do you consider the notes in the hands of the public to be circulation, or do you consider the notes as shown by the issue department of the Bank to be circulation?—The notes as shown by the issue department.

5164. Is that in conformity with your former opinion?—Yes.

5165. You could not, in old times, consider the notes out of the issue department circulation, because they were not shown?—We could not tell what the amount was; because previous to the Act of 1844, the Bank could issue notes to an unlimited extent so long as it had any bullion in its possession; but as a question of principle, I always considered that the notes in the till of the Bank of England and the notes in the hands of the public together constituted the circulation.

5166. In your former evidence before the Committee in 1841, you spoke of the circulation as including the notes in the till of the Bank?—Yes; I alluded to that in several parts of my examination in the year 1841.

5167. With respect to private banks, you regard the notes that they have in their tills as circulation also?—Yes.

5168. What do you consider with regard to their own notes, which they have the power of issuing?—I think with regard to private banks, looking at it as a question of principle, the notes which they are empowered to issue constitute circulation.

5169. Though not actually issued?—Yes.

5170. You consider them part of the notes in their till?—I consider that that which is at the control and command of the public is circulation, wherever it may be lying.

Effect of the Railways on Deposits in Banks.

5171. *Chairman.*] As connected with Manchester, can you give the Committee any facts illustrating the way in which the speculations in railroads have affected your reserve?—It is rather difficult to state distinctly the effect that the demand for railroads has had upon deposits beyond stating generally that the depositors in country banks are at all times, to a greater or less degree, looking out for beneficial investments of their money, and such investments the railways presented, both in the way of railway shares and railway bonds.

5172. As a banker in Manchester, did you feel, in the last year, that there was a drain upon the deposits, which you attributed to railroad speculation?—We were continually making payments on account of investments made either in railway bonds, or in the purchase of railway shares.

5173. Can you give the Committee any notion of the proportion of diminution which was occasioned by that cause?—I cannot separate the diminution caused by railway calls from the diminution caused by other calls, but I can state, that as regards my own concern in Manchester, the diminution of deposits in the year 1847, as compared with the year 1846, was rather more than 20 per cent.

5174. When did that diminution begin?—It ran through the whole year; I could not easily ascertain at what period of the year it was most effective.

The Management of the Bank.—He cannot recommend any improvement.

5179. *Chairman.*] We will go back to the question with regard to the management of the Bank; I collect your opinion to be, that the suddenness of the difficulty arose from the Bank directors neglecting to take proper steps with regard to its reserve; is there any measure which you can suggest by Act of Parliament which can cure that evil?—No, I am not prepared to suggest any.

5180. Do you consider that the constitution of the Bank can be so changed as to prevent the liability to such an error recurring?—No; I have often thought of the constitution of the Bank, and of course I cannot undertake to say that it is perfect at present; at the same time I am unable to suggest any important improvement.

HOUSE OF COMMONS, 12th May, 1848.

THOMAS TOOKE, Esq., Examined.

5301. *Chairman.*] Are you engaged in business?—Not otherwise than is connected with three public companies; I am Governor, and have been for some years, of the Royal Exchange Assurance Corporation, and Chairman of the St. Katherine's Dock Company, and likewise a Director of the Australian Agricultural Company; these constitute the whole of my engagements in business at present, and have done so for some years past.

5302. I need not ask you whether you have given your attention to the subject before this Committee?—Yes, I have; it is inevitable that I should have done so, being every day at my post in the chair of the Royal Exchange Assurance Company, and in the centre of everything that was going forward.

The Bank Act the Cause of the Crisis.

5308. *Chairman.*] Before we go to that, I will ask you to what do you attribute the difficulties of the country?—The originating cause, I consider to have been mainly the failure of the potato crop and its consequences, and next, the large and increasing calls and loans by railway companies; there was, moreover, a diminished stock of most of the raw materials of our manufactures, which rendered necessary a large importation of them as well as of corn, and I should include, among other causes coming under that general head, the state of the cotton trade, and the deficiency of the cotton crop in the United States of America, which reduced the manufacturers of this country to the alternative either of supplying themselves, at an enormously increased rate, with the raw material, or of diminishing the extent of working of their mills; those were the general causes.

5309. Do you think it was the combination of all those causes together, or do you think any one of them individually taken would have produced the crisis?—I do not imagine that any of them singly, or that when combined they would have produced the crisis. I do not believe a crisis would have occurred, such as did occur in April, had it not been for the peculiar operation of the Act of 1844 by the separation of the Bank into two departments.

5310. Will you explain to the Committee your view of the manner in which the Act of 1844 operated in 1847, so as to render the crisis more severe?—It operated by diminishing the power of the Bank to grant accommodation in consequence of the narrow limit of its banking reserve, instead of allowing the Bank, as it would have had the power of doing but for that Act, to grant extended accommodation at a moderately increased rate of interest; for instance, at the time of pressure in April, when the reserve was reduced to £3,000,000, which compelled the Bank directors, in their own defence, to take measures of the utmost severity of restriction, there were no less than

£6,250,000 in the issue department, which was as little available as if it had been in China.

5311. What course would you have had the Bank pursue in that case?—If it had had power over its undivided treasure, I think it might have made an advance in the rate of interest to 5 per cent. in April; and if the demand for the exportation of gold continued, as it was likely to do under those circumstances, it might have raised the rate possibly to 6 per cent., and at that rate I verily believe that the Bank would have been in no danger whatever.

The Bank Act reduces the Amount of Gold in the Bank, by obliging the Country Banks to increase their Reserves.

5312. *Mr. Herries.*] You conceive that the ultimate rise in the rate of interest to 6 per cent. would have secured the Bank?—In my opinion, perfectly; at the same time I may perhaps be permitted to observe, that by the restrictive regulations of the Act of 1844, and subsequently by the restrictions on the Scotch and Irish Banks in 1845, the treasure of the Bank in the autumn of 1846, was less, by fully £2,000,000, than it would have been but for those Acts.

A Suspension of Cash Payments might take place with a purely Metallic Currency.

5321. *To Mr. Herries.*] I may observe that the reasoning upon which the promoters of the Act of 1844 have gone, which is that of the indefinite nature of drains, proves too much. It is the inherent vice of the banking system, in whatever shape you have it, which includes the employment of deposits in securities, that is, in loans and advances, that there may be a combination of circumstances which may entail the suspension of cash payments; and therefore the endeavour to reduce those who, with me, argue upon the sufficiency of a large treasure to meet a demand of great magnitude, but still definite, to the position of being unable to obviate, under peculiar circumstances, the necessity of suspension, proves, as I said before, too much, for it goes against all banking.

5322. In no case whatever is there a capability of resisting an indefinite demand?—No, and I would go further in this stage of the examination; I would say that those who propose that the circulation should conform to a wholly metallic circulation, as a type or model of what would be a perfect state of the currency, do not appear to me to understand or to render intelligible, at least to my understanding, what they consider would be the operation of such a circulation; they have not stated, at least to my apprehension, whether credit, in any shape, were to be allowed; if credit, in any shape, were to be allowed, and if banking business consisted in advances by loan or discount out of the deposits, then I conceive you might have, even under a perfectly metallic circulation, a general suspension of payments. It is perfectly conceivable that in periods of confidence the banks might make over-advances upon inconvertible securities, or not sufficiently convertible securities, and then, upon a sudden demand for gold for foreign payment to a very large amount, such as occurred last year, the banks that happened to be the least provided with a reserve, or which had been most improvident in their advances, might not be able to meet the claims of their depositors, and would suspend their payments and create a panic exactly in the same way as has recently occurred, and in former instances occurred, reducing the amount of bullion in the Bank, and incurring the danger of a general suspension.

Little effect on prices produced by the Bank's pressure.

5332. *Chairman.*] Have you anything to add in reference to the pressure of April, 1847?—One peculiar phenomenon of the circumstances in April was, that violent as was the operation of the Bank in restricting its accommodation,

there were no failures of any considerable magnitude during the whole of that period of pressure; it may be right to observe, showing how very little direct influence the operation of the Bank of England has upon prices, that during the height of the pressure, through April and the beginning of May, the speculation in the corn trade was carried to its greatest height, and the price of wheat advanced between the middle of April and the middle of May, I think, fully 20s. a quarter.

Objections to the 8 per cent. rate of interest charged by the Bank on the suspension of the Bank Act.

5339. *Chairman.*] Do you approve of the limit placed by the Government letter upon the rate of interest?—Not at all; I conceive that it was a very unnecessary interference with the discretion of the Bank, and it created a very unpleasant impression upon the public, as far as I could judge; I did not hear of a single instance among those whom I was in the habit of communicating with every day, merchants and bankers, of a person approving of it; they all spoke of it with reprobation.

5340. That was the general opinion?—Yes, and my own opinion.

5341. Will you state your objection to it?—My objection is, that it assumed that the Government was the judge of the proper rate of interest, and it had the effect of confining the Bank, supposing the Bank had thought it expedient, as I am sure they ought to have thought it expedient, to relax in their restrictive measures at that time. My firm belief is, that although the abruptness of it would have been objectionable, if the direction had reduced their rate of interest to 6 or even 5 per cent., it would not have had the slightest effect in rendering the foreign exchanges unfavourable, which was the only thing at that time to be apprehended.

The Bank's influence on the rate of Interest.

5345. *Chairman.*] For a time, in your opinion, the Bank can raise and reduce the general rate of interest, but not permanently?—Exactly; for a time, there is no doubt it can do so, and you cannot but perceive it, from the circumstance that every movement of the Bank, in the increase or diminution of the rate of discount or in the rate of interest for its advances, has considerable importance attached to it by the public; and I believe the frequent alterations in the rate of interest by the Bank are exceedingly inconvenient to the public, and that it is the necessary effect of the separation of the departments that such alterations should be frequent and abrupt.

Great Variations in the rate of Interest injurious;—caused by the Bank Act.

5347. *Chairman.*] It has been stated to the Committee, that the Bank since the Act has taken a more active part in discounting and in interfering with the discount market than it did before; that accords with your experience?—Certainly.

5348. Do you approve of that course?—Not at all, I think it is very inconvenient to the public. I think under the old system the Bank would not have ventured upon a reduction of the rate to $2\frac{1}{2}$ per cent. from 4 per cent., which it had been before; and the frequent alterations subsequently were a source of considerable anxiety to the public.

5349. You object then to lowering the rate of interest to the low rate to which it was lowered by the Bank?—Most unquestionably.

5350. Do you consider that a part of the operation of the Act?—I believe that there cannot be a doubt of it; in September 1844, just coincidentally with the Act coming into effect, the directors reduced the rate from 4 per cent. to $2\frac{1}{2}$ per cent., and there were several alterations in the rate between that and

April 1847. I do not believe, that under the system as it prevailed before 1844, the Bank need have made more than two alterations in the rate of interest, namely from 4 per cent. to 6 per cent.

5351. According to your opinion the Bank should not follow the general rate of interest of the country, but should have a limit below which it should not go?—I think that the attempt to follow the general rate closely is attended with very great inconvenience; there is hardly any merchant or banker that you could apply to who would not say, from his experience of what the state of the circulation had been before 1844, and what it was between 1844 and 1847, that it was a much more convenient state of it before 1844 than it has been since.

5352. Is it your opinion that the Bank should have a minimum rate, below which it should not go, say 4 per cent.?—Yes, I think lowering the rate below 4 per cent. was an error, arising out of the conception which was impressed upon the directors as being the spirit of the Act; but if they had disregarded that sort of opinion, and had continued the rate of 4 per cent., I am quite sure that the subsequent fluctuations would have been mitigated.

Proper Reserve to be held by the Bank.

Chairman.] 5353. Are you satisfied generally with the conduct of the Bank?—I do not mean to say that I have considered the conduct of the Bank as having been on all occasions such as I should have approved; and indeed, I have taken the liberty of blaming their conduct in 1835 and 1836, and in 1838 and 1839; but I conceive that most undue importance has been attached to their errors of judgment on those occasions. The only cause of dissatisfaction I have, that is of any importance, with the conduct of the Bank, is that of its having regulated its business upon too small a reserve. During the average of the 10 years from 1833 to 1842, the amount of bullion in the Bank was only about 6,800,000*l.*; during the three years 1839, 1840, and 1841, it was only 4,500,000*l.* Now, that I conceive to have been exceedingly dangerous, and that should have been, in my opinion, the main point to which the attention of the directors, at the renewal of the charter and the arrangements with the Bank, ought to have been directed. I think if, instead of this most unfortunate Act of 1844, there had been an arrangement made with the Bank, that the directors should consider themselves bound to maintain an average amount of treasure, double at least of that which they had maintained in the 10 years since the previous renewal of the charter, namely, from 1833, we should have avoided a good deal of the inconvenience connected with the management of the Bank. We should not have had either the difficulties of 1836 and 1837 or of 1839, if in each case the drain had begun with an amount of treasure such as in 1846, and there need not in that case have been the slightest attention paid to the circumstances of the drains for foreign payment which occurred at those periods.

5357. *Mr. Herries.*] What was the largest amount of reserve immediately preceding the passing of the Act?—On the 23rd of March 1844 it reached 16,395,000*l.*, and that was not only before the Act of 1834 came into operation, but before the public had the least idea of what the new arrangement with the Bank in 1844 was to be. I should beg leave to observe upon this, as a very important point; great credit is taken by the advocates of the Act for the very large amount of treasure with which the drain was met, and for the fact that, at the expiration of the drain, there were 8,000,000*l.* remaining; now I believe that there would have been as much remaining if the Act had not existed, and certainly it was not owing to the Act that the drain was met by so large an amount of treasure.

5362. Will you have the goodness to state to the Committee to what amount you would allow the drain to run before you would take those steps

which would be necessary to recover the average [Reserve which should be held]?—I would allow the drain to go rather low, because at worst the Bank can always right itself, and the drain of treasure, which upon the supposition is a very large one, must be satisfied according to all reasonable views of the utmost probable extent of a sudden adverse balance of trade, because it can only be in the case of a considerable adverse balance of trade that there can be a sudden drain to the extent supposed.

5363. Then we will suppose a store of 16,000,000*l.*, and an average of 12,000,000*l.*, that would give you 4,000,000*l.* to run upon, and then you would get below the average; in what way would you stop?—I would not stop at all till it came to exactly the same point as that at which the Bank directors were obliged to have recourse to such violent measures in April last, which appeared to me to be the absurdity of the operation of the Act at that time; and the hardship to the public was, that the Bank was compelled to resort to the same arbitrary measures whilst there was 6,000,000*l.* of treasure in the issue department, as they would have been obliged to resort to if they had been reduced in their undivided state to the same or half the amount.

5364. You would have gone down to 3,000,000*l.*?—Yes; I do not conceive it all probable that any circumstances that I am aware of historically would ever have brought it down to that point; and I am sure that under the late drain, large as that was, there would not have been a reduction of treasure if it had been conducted, according to my view of it, below the point it reached, of 8,000,000*l.*

5374. *Mr. Herries.*] To go back to what you have said before respecting the average of the reserve of gold to be maintained by the Bank, you would have the Bank endeavour at all times to maintain about that amount, 12,000,000*l.*?—Yes.

5375. But you would have them possess the discretion of allowing the amount to go lower without their taking very coercive measures to maintain the amount, if circumstances should require it; do I rightly collect your meaning?—To the extent you have stated it, you have collected my meaning; but the further part is, that under that system the Bank directors should not take any coercive measures to counteract the efflux till it reached 6,000,000*l.*; they should then maintain the relative high rate of interest till the amount of treasure was tending to its maximum.

Objections to the Limitation of the Country Issues.

5381. *Chairman.*] There is one provision of the Act of 1844 upon which I have not asked you any question; I mean the provision of the Act which limits the issues of the private banks of issue; will you give the Committee your opinion upon that?—My opinion is, that that provision is simply a source of inconvenience without the smallest possible advantage; it all proceeds upon an original and great mistake, and that is, looking to the circulation as an important part of the business of a bank, or of accommodation to the public; now the circulation is a very small and insignificant part of the whole amount of the engagements of a bank, because in the instances which have appeared by the disclosures consequent upon the failures of some of the banks, they have had liabilities to a very considerable amount, while their circulation has only been something like 7 or 8 per cent. of the total of their obligations, and yet you have all this elaborate machinery, and this vexatious and restrictive system applied to that which, whether as regards the Bank of England or the country banks, is by far the smallest matter of consideration.

5383. *Mr. Thornely.*] Have not the failures of the country banks of issue been very much diminished since the passing of the Act of 1844; for instance, in all the commercial embarrassments of 1847, were not the failures of the country banks extremely limited in number and amount as compared with the

failures of country banks in 1825?—There is no question of that; but they have been much more numerous since 1844 than between 1825 and 1844; in the year 1825 there is no question but that the £1 note circulation added very greatly to the insecurity of the banks, and it was through the medium of the small notes that the greater part of the runs upon them took place; and besides, the year 1825 has been a beacon constantly held out to the banks since. I have no idea that the restriction upon the circulation produced the slightest effect. I do not see why or how it should. During the whole speculative mania in shares in 1845, it had not the slightest effect upon the amount of circulation of the Bank of England, or of the country banks. Persons would say that the country banks were limited by the Act, but it did not seem to produce any direct effect upon the circulation of the Irish or Scotch banks, which were not so limited; and all of that vast speculation that we had, could take place under the restriction. I cannot imagine anybody can stretch his power of conception so far as to suppose that any speculations could go further than the speculations in railways went in 1844 and 1845.

Definition of "Free Trade in Banking."

5384. *Chairman.*] Are you in favour of what is called free trade in banking?—I consider free trade in banking to be a misnomer, for banking is not a trade; in all invitations to public meetings in the city of London, the expression used is, "merchants, bankers, and traders;" bankers are not considered merchants or traders, therefore, in strictness, it is an improper term to apply to it; but I suppose by free trade in banking is meant that there should be an unlimited competition in banks, whether of issue or of deposit; now, I have always admitted that banks ought to be subject to regulations upon grounds of police, and I conceive you cannot justify any regulation of banks that does not come under the head of police or revenue. The Act of 1844 proceeds upon the very officious notion of preventing speculations and over trading, and professes to have other objects in view, which are quite unintelligible, and quite beside what it is the province of Government to attempt to regulate. But I conceive that you must admit the principle of the regulation of banks, because if you do not, there is no reason for preventing the issue and circulation of one shilling notes; if once you admit the principle, it is merely a question of quantum. I am one of those who, on the whole, approved of the suppression of the one pound circulation in England; I do not admit the doctrine of what is called free trade in banking.

5385. *Mr. Spooner.*] You say that by way of police there should be regulations of banking, will you explain that?—I mean that they should prevent such issues of banks as were liable to become instruments of fraud: for instance, sixpenny and shilling notes; with such abuses as those to which the small note circulation in America leads.

National advantages derived from the Bank of England limited by the Bank Act.

5386. *Chairman.*] Do you consider that the existence of the Bank of England is an advantage to the public?—Unquestionably; its existence upon its present scale arises from the circumstance of its being the Government Bank; but taking it all in all, I should say that it is an institution which, if it did not exist, and you were constructing a system *de novo*, it would be desirable to have.

5387. What advantages do you consider to flow from the existence of the Bank of England?—The principal one is precisely that which was taken away from it by the Act of 1844, viz., that upon a general failure of credit there is this vast establishment, with its enormous capital and its unquestioned credit, which can come in and fill the vacuum created by such a general derangement of credit as might otherwise occasion a total suspension of business.

5388. Do you conceive that during the late difficulties the Bank of England has been of any benefit in assisting public credit?—It has been a benefit, in spite of the system; it has been of no more benefit till the letter of suspension came than any private bank, except taking into consideration its magnitude. I think it has been a very great mistake, that of causing the Bank of England to cease to be a bank of issue; I think there never was a greater blunder made; the whole of the commercial concerns of the country for 150 years were moulded upon the elasticity of the credit of the Bank of England, and you have now taken that away, and have introduced this separation of departments, reducing the Bank of England, barring only the difference of its capital, to the same functions as those of Jones Loyd, and Company, or Glyn and Company, or Smith, Payne, and Company; now, that I conceive to be a most egregious error.

What constitutes "The Circulation?"

5394. Mr. Herries.] What do you understand by circulation in respect of bank notes; do you understand circulation to be that which is in the hands of the public, and out of the Bank, or do you consider it to consist of all that is in the hands of the public, and in the Bank also?—Nobody till 1844 imagined any possible amount of its own notes that was in the bank of issue, could be considered as part of the circulation; the whole of the arguments against the management of the Bank, and, therefore, for the necessity of restraining them by a control over the circulation, was, that it was the management of the circulation which was the principal consideration, and that the banking department might be left to the discretion of the directors, if the circulation was properly regulated by this self-adjusting system. That party say, that what they call the circulation, under the new nomenclature they have adopted, conforms in the increase or diminution of it to the amount of bullion in the Bank; now that is a self-evident proposition; it is not a banking operation, the issue department of the Bank being simply an office for the exchange of gold against notes and of notes against gold: there never was such confusion of reasoning as that which would suppose that the circulation *in posse* is part of that circulation which acts in any way upon prices; but this circulation, to adopt the new language which has been adopted, is really a matter of no consideration beyond the mere fact, that if you say the circulation is diminished, it is as much as to say, the bullion in the Bank of England is diminished.

The Circulation does not regulate Prices.

5395. Mr. Herries.] It was assumed that the circulation governed prices, and that prices would, as naturally must be the case, govern the exchanges; and that by the Bank contracting or expanding the circulation, the Bank had the power of affecting the foreign exchanges?—Yes.

5396. Is that your opinion?—It is my opinion that such was the assumption, and you cannot take a publication or a speech of the promoters of the new system which did not consider the circulation as having the influence which is stated in the question.

5397. Is it your opinion, and have you found it to be historically true, that the fluctuations of the circulation have generally corresponded with the fluctuations of prices, so as to justify that belief?—It is perfectly untrue, historically; I can hardly say that it is strictly the reverse of the truth, because the fluctuation has not been in any strict relation to the circulation, but unquestionably it is susceptible of the most distinct historical proof, that there has been no such coincidence as to justify the inference of cause and effect; in nearly all cases of important alterations of prices, the alteration in price has preceded the alteration in the amount of circulation, and, therefore, you cannot connect them in the way supposed; and I should say, moreover, that it is not only

historically certain that prices have not varied in conformity with the variations in the amount of circulation, but that it is susceptible of proof by reasoning that it should not and would not be so.

5429. Mr. Spooner.] Does the Committee understand you rightly to say, that it is your opinion that the amount of circulation does not in any way affect the prices of commodities and labour?—Most distinctly.

5430. Do the prices of commodities or of labour in this country at all affect the exchanges?—Yes; if, from a scarcity or the apprehension of a scarcity, the prices rise to any considerable extent, they naturally will induce larger importations than usual.

Objections to the Publication of the Bank's Weekly Account.

5410. Mr. Alderman Thompson.] Do you approve of the weekly publications of the Bank accounts?—I do not see any adequate advantage derived from them; at the same time there would be a great outcry against making the publication less frequent; I should observe, as my own opinion, from both experience and observation, that the publication has not the beneficial influence that was ascribed to it; I do not conceive that any merchant or manufacturer can be guided at all in his operations by that publication; I do not know whether it is any guide in their operations to persons in the stock or money market, but I have no idea that it is of the slightest benefit to merchants.

5411. Do you think the fact of the publication of the reserve of the Bank in the months of September and October last, which showed a very small reserve, increased the alarm and panic which existed in the commercial world at that time?—Very considerably.

5412. Then does it not follow, that if that publication had not taken place, the panic would have been less severe than it was?—Certainly, I think that does follow as a consequence.

5413. Is there not this inconvenience in the accounts now published, that it is impossible for the Bank to give to the public full and sufficient information with reference to their reserve, so as to be a proper guide or direction to the public in their commercial operations; for instance, there may be but 3,500,000*l.* published as the amount of the reserve, whereas, in the course of the next few days, the Bank may be in the receipt of 1,500,000*l.* more upon what is termed temporary loans; and the public, not knowing that fact, and the Bank hardly having practical means of making that fact known, do not you consider that so imperfect an account as that, must be rather mischievous than beneficial to the public?—I think so; but still it was assumed in the question that those publications were a guide to commercial operations; I do not believe that they are a guide, and I do not see how they should be.

5416. Mr. Cayley.] Would quarterly publications answer all the purpose?—In my opinion, perfectly.

Opinion of the Present System of Bank Management.

5425. Mr. Alderman Thompson.] Then, may the Committee infer that your opinion is, that the Bank is most likely to be best managed by having its directors elected from the leading merchants, traders, and manufacturers of London, as is now the custom?—Yes; I see no reason for a change; but I should observe, as I have been asked with respect to the constitution of the Bank, that there is one great defect in it, in my opinion, and that is, the great change which annually occurs among the directors; eight go out every year, and remain out for a year; that produces very great irregularity in the judgment of the Bank and in their general views. In April of each year you have eight persons come in who have been out of the direction for a whole year; that forms so large a proportion to the competent and experienced persons, of

persons not having a clue to the operations of the year preceding, as, in my opinion, to be extremely inconvenient.

5426. Are you aware that that regulation forms a part of the charter, and is not a bye-law of the corporation?—So I understand, and I am surprised at it; I confess that it is so very great a defect, that I think it ought to be remedied by Parliament; it is a very great objection in my opinion, from all I have seen.

HOUSE OF COMMONS, 16th May, 1848.

JOHN TAYLOR, Esq., Examined.

5194. *Chairman.*] I think you are not in any commercial business?—Only as a sleeping partner; my capital is embarked in a wholesale publishing business, and I am so far connected with it, that I give an opinion as to the works that are offered to us; but my whole time being at my own disposal, and having a taste for literary inquiries, I have availed myself of the opportunities I have had to inquire into many subjects of interest to myself, and among others into this subject of the currency; it is in that capacity that I conceive myself to be chiefly offered to your notice this morning.

Mr. Taylor's theory of the Currency.—Objection to the Gold Standard.

5518. *Mr. Cayley.*] With regard to the present system, would you say, speaking shortly, that the system upon which the present plan of currency is founded was, that it varied precisely with the amount of the precious metals?—I think that is the principle of the present system.

5519. And that the currency should be governed by the foreign exchanges? That is the alleged purpose, as stated by Mr. Jones Loyd.

5520. Will you state your view as to the effect of that system of the carrying out of the currency upon the industrious and working classes?—In consequence of its being rendered necessary that the paper currency of this country should always be convertible into gold on demand, whenever we have, from whatever cause, a general rise of prices, that gold has immediately a tendency to go abroad; it is not allowed to rise in price in our paper money; but corn, lead, tin, iron, and all other commodities may rise; the foreigner therefore naturally takes that which he knows is the cheapest commodity he can take, and when he has taken it we are obliged to go cap in hand to him, and beg him to take our goods at almost any sacrifice, in order that he may let us have that gold again, without which the Bank cannot continue to give its customary accommodation to the public.

5521. Would you recommend that the gold, into which the bank note is convertible, should be allowed to find its own value in the market?—I would certainly recommend that it should be allowed to find its own value; but I do not think that this would cause a difference that would at all disturb any of the relations of price that are now prevailing in this country, affect the interests of the tenant or his landlord, or inflict any injury as regards the position of the debtor to the creditor, or of the creditor to the debtor. I think the effect of it would be that which was felt for a long time during the war; that there would be great freedom in the use of money, and great easiness in transactions, without any unjust rise of prices, or any change that could be considered injurious to any part of the community.

5522. If gold was allowed to find its own value in the market, under an adverse exchange, do you think the foreign demand for it would raise its price?—If there was an adverse exchange, the foreigner could not bring his English bill to this country, and get for it what he now can, say 100l., he would get something less for it.

5523. In that case, is it your opinion that the price of gold might rise till it became more profitable for foreigners to take our goods than to take gold?—That is my opinion.

5524. Under those circumstances, little or no fall in the price of our goods need take place to induce foreigners to take our goods?—The foreigner could not object to take our goods at higher prices, if he sold his goods at higher prices.

5525. Under the present system, enabling the foreigner to take gold at a fixed price in foreign payment, can the Bank protect itself against a drain in any other way than by curtailing discounts, throwing down prices, and disemploying labour?—It cannot.

5526. Under the present system, the foreigner is enabled to take his payment, not by a rise of price of gold, but by a ruinous fall in the price of our goods?—That is so.

5527. Upon whom does that sacrifice principally fall?—It falls, first of all, upon the producers of those goods. The late Mr. Rothschild described it very well before the Bank Charter Committee in 1832, when he said that the manufacturers and the owners of colonial produce, who had bills running against them, finding themselves unable to obtain discounts, were forced to send the articles in which they dealt to foreign markets, and to draw bills against them; there they were sold at a very considerable loss, and by that means the foreign exchanges were again rectified. They were rectified to the injury of particular classes of persons, who ought not to have been made to suffer any loss, more than any other part of the community; but the loss fell upon them in consequence of their being more exposed than others to the action of the foreign exchanges.

5528. Reverting to the potato failure which led to the great demand for foreign corn, will you describe how, under the system which you would prefer, that would not be the occasion of the great distress that we suffered in 1847. How could we have avoided the distress which we suffered under that state of famine, followed by the great influx of foreign corn, under any other system of currency than the present?—If we required foreign corn in this country, or any other commodity, under that system of currency which I would advocate, the foreigner would say, "You are in necessity; you want this article; I will let you have it, but it must be at a higher price than under ordinary circumstances;" that higher price we should be perfectly willing to pay; he would charge the higher price; he would have bills running on England for the goods that he had supplied us with; those bills would be so numerous that their value would be deteriorated, that is to say, they would be sold on the continent at a less value than their nominal value; we must send to the continent other commodities to meet that corn, in return for which we again are enabled to draw bills upon the continent. These bills go to neutralize the others; the payments made in one country are met by that means by the claims upon another country; and it is the business of the bill brokers between nations, Messrs. Rothschild and others, to arrange those bills one among another. At last it comes to this pass, that the quantity of trade done between the two countries is increased in nominal amount exactly in the degree in which the article most wanted was raised in price. We give the foreigner for 10,000,000*l.* or 15,000,000*l.* of corn, 10,000,000*l.* or 15,000,000*l.* of goods; he gets those goods which he would not have had if he had not supplied us with the corn, but he is enabled, by the difference of the exchanges, to get possession of the bills at a lower price, and thus he gets those goods at a lower price; we pay a higher price, but we get a higher price for the articles that we sell than we otherwise should have got; it all resolves itself ultimately into an exchange of commodities, and gold, which might enter into the transaction, is not necessarily a party to it.

5529. The difficulty during the last year was, that the foreigner who sent his corn here, was unwilling to take anything but gold?—Yes, and very properly. The foreigner who sends his corn here, knows very well that he need not trouble himself with anything more than that single operation of getting gold for his corn; with that gold in his possession, he can make a better bargain with us than he would otherwise be able to make. He obtains from us a commodity which we cannot do without; and then he says, “I will wait till your necessity compels you to buy that gold back again from me.” We then pay him ultimately a much higher price, through the intervention of our gold principle, than we should have been content to pay him if our transactions had been conducted upon a system of money more nearly approaching to a system of barter.

5530. Then you mean that the foreigner, having got our gold in exchange for his corn, endeavours to induce us to buy it back by waiting until our great want of gold compels us to sell our goods at a depreciated price, in order to buy it back?—That is my meaning; and he sees the operation of that process going on by the published accounts of the Bank; he sees gold departing from this country, and he knows that we cannot go on long in this country without getting the gold back again; and before we get it back, he knows that prices will be very much depressed, and that he will have a great advantage by waiting.

5538. You are not in favour of depreciated paper?—I am not in favour of a depreciated paper, but I do not call that a depreciated paper of which the value is a pound in English transactions, though it may be of less value than the gold pound in foreign transactions.

5539. Would you substitute the paper for the gold pound?—I would always have the gold pound exist as a coin which might be possessed by every one who chose to purchase it; but as regards the paper-money which the Government might issue in payment of all its obligations, I think it should be bound to receive that same paper-money again in discharge of its taxes.

5540. How would you arrive at the value of this paper pound?—The Government that issues it for a pound, if it takes it again for a pound, authenticates it to be of that value.

5541. Perhaps you have heard the question asked, “What is a pound?” will you be good enough to give an answer to that question?—I should say that a gold sovereign of the weight of 123 grains is a pound; but that an Exchequer note issued by the Government for one pound, and paid away in discharge of its obligations for that sum, being universally in this country a legal tender, is also a pound.

5542. What would be your standard of value?—The standard of value, if I may use the term properly as contra-distinguished from the measure of value, is, in this country, and in every country, a certain quantity of that article which constitutes the principle support of man’s life, which is, in this country, wheat; this is an old definition to be found in Sir William Petty’s writings.

5543. And admitted by most writers?—By most of the best authorities.

5544. What would be the measure of value?—The measure of value is most conveniently found in coins of gold or silver, either or both of which, with copper corresponding with them for smaller payments, will answer the purpose of a measure of value perfectly well.

5551. With respect to the issues of country banks, do you agree with Mr. Huskisson, that “It is admitted that the country banks cannot make a permanently maintain in circulation any over issues of their paper?”—I quite agree in that; but I say at the same time it is a question worthy the consideration of Parliament, whether some security might not be given to the public that the notes of country bankers should always be of the value they profess to be.

5552. A security in consols or real property?—In consols or other funds, or I do not know why it might not be in land; Mr. Stuckey, in his evidence before the Bullion Committee, said, "We always keep assets enough in London, consisting of stock, exchequer bills, and other convertible property, sufficient to pay the whole of our notes in circulation."

5554. You propose that the government itself should issue this legal tender paper-money?—The government should issue the legal tender paper-money under authority of the legislature.

5555. Still, how would you distinguish this legal tender paper-money from the assignats of France, issued during the last Revolution; they were equally a legal tender paper-money?—That money was a legal tender paper-money; but there is a material difference in the principle on which it was issued; it was issued first of all on the security of the national domains; it was presumed that the national domains were of a certain and very great value, and those notes were issued on the condition of their being returnable in taxes, or in the purchase of a portion of those domains; for some time after they were issued in great abundance they did not experience any very great depreciation; Mr. Henry Thornton mentions that it was a long time before they arrived at the depreciation of 10 per cent.; but when successive issues were made, and that by different governments, so that it became very clear there would be no redemption through the purchase of the national domains, which was the condition of the first issue, they fell enormously in value. I do not conceive it possible that such a state of things could take place in this country; the good faith of this nation would prevent it; no government of this country could be so insane as to attempt to issue notes to the extent of the property of the country, estimate that property at whatever you may; but nothing of the kind could take place in any degree if you limited the issue of this paper-money to the extent of our annual taxation; the principle of the two issues is decidedly different.

5556. The difference you describe to consist in this—that all legal tender money issued every year by the government would be taken up every year by the government; whereas the assignats issued in France were not taken up by the government?—Exactly so.

HOUSE OF COMMONS, 19th May, 1848.

THOMAS BIRKBECK, Esq., Examined.

5740. *Chairman.*] I BELIEVE you are a banker in Yorkshire?—I am.

5741. Is yours a private bank or a joint-stock bank?—A private bank.

5742. Have you been selected by committee of the private bankers in London to appear before this Committee?—I have.

5743. For the purpose of stating the views which they generally entertain upon the subject of the inquiries of this Committee?—Yes; more particularly as regards the clause in the Act of 1844, which restricts the Bank of England circulation.

Unanimous objection of the Association of Private Country Bankers to the Bank Act of 1844.

5744. *Chairman.*] Will you state the opinion that the private bankers entertain upon that subject?—I will state my own opinion, which, I believe, is the unanimous opinion of the Association of Private Country Bankers, which I represent; that the restrictive clause at present existing in that Act is utterly inapplicable to any time of monetary pressure, and must necessarily

lead to a very dangerous panic if maintained. My instructions were to say that that was the unanimous opinion of that body.

Increase of the Reserve of Bankers during the Crisis.

5771. Mr. Cayley.] What proportion of notes did you hold more than your usual quantity, in consequence of the want of confidence [in September and October, 1847.]?—Of gold and notes together we held from 75 to 100 per cent. more than usual.

5772. Have you reason to suppose that other bankers did the same?—I made general inquiry among my friends, and I believe they all held about the same; some 75 and others 100 per cent. more than usual.

5773. If the bankers had in their tills 100 per cent. more notes and gold than usual, the accommodation to the public must have been considerably lessened?—Yes.

Instances of the injurious operation of the Bank Act.

5776. Mr. Cayley.]—Can you inform the Committee of any specific cases in which the operation of the Act of 1844 produced injurious effects?—I know cases where persons borrowed money at a very high rate of interest, not because of their actually wanting it, but because they feared that they might want it; they felt no confidence of being able to get it when they immediately required it. I know an instance where a man borrowed 10,000*l.* for three months at 10 per cent., not because he wanted it, but because he feared that he might by possibility require a large sum in that time, and he had no confidence that he would be able to get it from bankers or any other party; he kept the notes all that time, and then he returned the very same notes that he had borrowed.

5777. That was a case of hoarding by a capitalist who thought that he might want the money which he did not use, and the effect of that would be to lessen the accommodation to the public?—Yes; I know another case of a party who was a large holder of Exchequer bills, which he kept in order to meet his engagements at the time, and he was unable either to sell those Exchequer bills or to borrow upon them; and he was obliged, therefore, to go to his banker and ask for an advance.

5778. Mr. Spooner.] At what time was that?—That took place in April or May; it was during the spring panic.

5779. Mr. Glynn.] Do you know that of your own knowledge?—The party with whom it occurred told me of it, and I have every reason to believe it to be the fact.

Inconvenient operation of the fixed issues of Country Banks.

5794. Mr. Cayley.] You have six branches, have you not?—Yes.

5795. You have three branches in the manufacturing districts, and three branches in the agricultural districts?—Yes.

5796. In consequence of having that number of branches, is the full limit of your circulation available?—Not always; not without running risks which we do not like to run. One of our branches may receive 300*l.* or 400*l.* of notes in one day, and pay them out again; or they may have a sudden demand, and pay out beyond what we expected, and all our calculations may be at fault.

5797. Then even to the limit of your circulation, it is not available by some thousand pounds?—We do occasionally extend our circulation a little at the beginning of the month, but we always have to bring it within the amount at the end of the month. Suppose we extend it by 3,000*l.* at the beginning of the month, we bring it down 3,000*l.* or more towards the end of the month, in order to bring it within the average. I think we are never able to avail

ourselves of the full amount of the privilege by 5 or 10 per cent., taking the average of the year.

5798. Then the limit is not only contracted, but you are not able to avail yourself of the circulation up to that limit?—No.

Effect on Deposits in Country Banks by fall in the Funds and Railways.

5833. *Mr. Cayley.*] As to the effect upon your deposits of railway investments, or any other cause, were your deposits affected during the year 1847?—I do not think we found any difference in the deposits; certainly not in the farming districts, till November, 1847; then, when the Three per Cents. fell to 80, our friends began to buy largely. Country gentlemen who had allowed the savings out of their incomes to accumulate in our hands began to buy into the funds at that time. In the manufacturing districts we felt a greater change. The depositors there are a different class of persons; they are book-keepers, and persons of that class, who put their savings in the banks, varying perhaps from 50*l.* to 100*l.*, and they have been living upon the savings in the bad times, and there we felt a marked difference.

Danger of the Bank in October, 1847.

5884. *Mr. Spooner.*] Have you looked at the state of the balances in the Bank of England just at the time the letter of the Government came out in October?—Yes, I know the amount.

5885. Will you look at that paper, and state what the amount was of the balances which the London bankers had in the Bank of England at that time?—One million six hundred and fifteen thousand pounds.

5886. What was the amount of the reserve of the Bank of England?—One million five hundred and forty-seven thousand pounds.

5887. Taking into consideration the great panic and the demand for money which existed at that moment, was it not very probable that the London bankers would have found it necessary to withdraw those balances from the Bank of England in the course of a short time?—If the letter had not been issued, the great probability is that they would have done so.

5888. Do you think that at that time the Bank of England could, by the sale of stock, have called in a sufficient quantity of notes to have enabled it to meet all demands upon it?—I think they could not.

5889. You do not think it would have been possible for them to have sold 1,000,000*l.* of stock at that time?—I do not.

5890. How long a period would it have taken the stock market to absorb that amount?—I do not know; but I do not believe they could have sold it.

5891. Does it come within your knowledge that persons were at the time in London with Exchequer bills, and that they could not by means of those Exchequer bills raise money?—Yes.

5892. Supposing the letter had not been issued, and this drain had come upon the Bank of England, what would have been the consequence if the Bank could not have met all its payments by means of its reserve?—It is frightful to contemplate what the consequence would have been.

5893. What would probably have been the effect upon the amount of bullion in the issue department?—It would have been drawn out.

5894. By the holders of the 14,000,000*l.* of notes that were issued upon securities?—Yes.

5895. Was not the convertibility of the note at that time in very imminent danger?—I think so.

5896. If the Act of 1844 had for its object to preserve the convertibility of the note, do you think it answered its purpose?—I think not.

Tendency of the Bank Act to increase Panics.

5909. *Mr. Spooner.*] As long as the restrictions of the Act of 1844 exist, shall we not be subject to panics, with all the severity of the panic of 1847?—Yes.

5910. *Mr. Cayley.*] Is that because the Act of 1844 makes the Bank circulation vary more than heretofore, in accordance with the foreign exchanges?—I think it is.

Convenience of the Legal Tender.

5960. *Mr. Hume.*] Do we rightly understand you, that under all circumstances it would be your wish to preserve the convertibility of all notes, by whomsoever issued, into gold on demand?—Gold or silver, or Bank of England notes; at present, I can pay my own notes in Bank of England notes.

5961. You find a great convenience in that?—Yes, very great.

5962. If you had not Bank of England notes, would you not keep a larger amount of gold?—Yes.

5963. Would not the alteration of that oblige bankers to keep a larger amount of gold?—Undoubtedly.

5964. And they would be better able to pay their notes in gold?—It would increase the pressure, whenever such a pressure came as we had last year.

